



Daily Report

East Europe

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NOTICE TO READERS: All material in this volume previously disseminated in electronic form.
An Ω indicates a Foreign Media Note.

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TANJUG Reports EU Decisions on Gorazde

*LD1804225994 Belgrade TANJUG in English
2233 GMT 18 Apr 94*

[Text] Luxembourg, April 18 (TANJUG)—The Ministerial Council of the European Union (E.U.) on Monday appealed for a ceasefire in and around Gorazde, a Moslem enclave in eastern Bosnia-Herzegovina.

The E.U. condemns the Bosnian Serbs' continuing attacks on Gorazde, assessing this as a U.N. Security Council resolution violation, and urges an immediate and unconditional ceasefire in Gorazde and around it, a statement released by the council said, and that Serb forces which are threatening the security of Gorazde withdraw. This will enable the deployment of U.N. troops in the town itself between the two warring sides, said the statement.

The Bosnian Serb authorities reported on Monday that Serb forces would remain outside the 3-km zone on the left bank of the Drina near Gorazde and were willing to agree to the immediate deployment of UNPROFOR [UN Protection Forces] troops there.

Bosnian Serb military sources have said that Moslem forces on the front around Gorazde renewed attacks on Serb positions early on Monday morning, firing from mortars placed in the center of the town, and heavy machine-guns located in the high-rise residence of the UNPROFOR.

Bosnian Serb Assembly President Momilo Krajisnik on Monday denied claims that Serb forces were shelling Gorazde and trying to take the town, underscoring that the Serb side had ceased all military activities around Gorazde.

Gorazde was to have been demilitarized long ago as a U.N. designated "safe haven," but, instead of demilitarization, more than 10,000 Moslem troops concentrated in this enclave and launched a heavy offensive on Serb territories in late March. The Bosnian Serb army strongly answered the attacks.

The Ministerial Council statement set out that a ceasefire agreement on Gorazde should be closely followed by a general ceasefire agreement for all of Bosnia-Herzegovina, which would again be an opening to talks on a political solution.

The E.U. calls on all those nations which promised additional forces to secure their arrival in Bosnia-Herzegovina as soon as possible.

The E.U. ministers also called on greater diplomatic efforts by the international community, including the U.N., E.U., U.S. and Russia, to step up diplomatic actions to secure the convergence of their initiatives and lead as soon as possible to talks between the three warring sides in Bosnia-Herzegovina—Moslems, Serbs and Croats.

The statement said that all captured U.N. staff should be released immediately, and that unlimited and unhindered freedom of movement should be enabled in agreement with U.N. resolutions. Humanitarian efforts and free passage through Serb territory for humanitarian convoys for Gorazde and elsewhere in Bosnia-Herzegovina must be renewed, it was underscored. The Bosnian Serb authorities said on Monday that they would guarantee freedom of movement to all humanitarian workers in its entire territory and police units will escort all convoys for their security.

The E.U. called on all its members who are also members of the U.N. Security Council, to support the adoption, without delay, of a resolution in support of the listed objectives.

Justice Ministry's Draft Penal Code Summarized*AU1804124694 Lezhe KOHA JONE in Albanian
16 Apr 94 p 2*

[Article by Alvin Hazizaj: "Change in the Concept of Murder"]

[Text] The Justice Ministry has just given internal approval in principle to the draft of the new penal code. This draft code has been prepared by a group of lawyers known as the Codification Directorate. The completion of the draft civil code has been followed by the draft penal code, which will soon go to the government for approval and subsequently to the Albanian parliament. Before this draft code goes to the government, it has been sent for discussion, by order of Minister Cela, to the Higher Appeal Court, the procurator-general, the Public Order Ministry, and the Tirana Law Faculty. The aim is to sound out the views of specialists in the field and to apply as closely as possible the Law on Basic Human Rights and Freedoms and all the international acts that Albania has signed.

This draft code has gone to pains to preserve the categories of the existing Penal Code, which came into effect in 1977 and led to serious consequences in the unfair conviction of a huge number of Albanians. However, the group preparing it has tried to change some things. For instance, the old code was divided into chapters, but now we have headings. The new idea of sections has also been added. The old code had 250 articles in all, whereas the new one has been able to provide for a series of crimes that were unknown under the old order.

The draft penal code is divided into two parts, one general and one particular. The general part describes the basic principles of Albanian penal justice, in which one is struck by the inclusion of the punishments of life imprisonment and fines. This latter is a new notion in criminal justice, as far as crimes are concerned. The code provides for fines of between 5,000 and 1 million leks for crimes and between 1,000 and 100,000 leks for misdemeanors. The general part includes 73 articles assembled under eight headings, compared to the 42 articles of the existing code.

As for the part on the particulars of the code, it must be said that the group has been at great pains to include all the different varieties of crime that have occurred in recent years and which are expected to occur in the future.

This part begins with the heading on crimes against human life and concludes with crimes affecting free elections and the democratic electoral system. The 254 articles are assembled under 10 headings, with many special sections. Under the first heading of this part, which deals with crimes against human life, one is struck by the new division of murder into premeditated murder and wilful murder. This is a new notion that was not present in the previous code, but the new code does not explain the distinction between these two.

In another section, the age of 14 remains the limit for the notion of acts of indecency. Despite the changes that have taken place in Albania, and are still occurring, not all of them have found a place in this draft code. For instance, homosexuality continues to be prosecuted as an act of indecency, at a time when many European states allow homosexuals to marry freely. There are special articles forbidding pornography, including the creation of conditions for pornography and the import, publication, and sale of pornographic material.

A new section has been opened to cover crimes against freedom of religion. We now find three articles defending what the 1976 Constitution and other laws forbade. There are also new kinds of crime and special sections in the area of bankruptcy and crimes against the environment.

What is most striking in this draft code is the special protection given to state personalities. Thus Heading 8 covers "crimes aimed against the authority of the state." The chairmen of the parliament and government and the president himself are named as the highest authorities. Thus Articles 169-170 state that "Insulting the president of the Republic is punishable by two years' imprisonment or a fine, and an insult in public by between six months' and three years' imprisonment. Slander against the president is punishable by three to five years' imprisonment. There is thus special protection for the figure of the head of state. [no concluding quotation marks as published]

Thus it is hoped that the new draft penal code, completed on 10 March 1994, will soon pass to the government for approval and thence to the parliament. There only remains the final word from the specialists of the institutions to whom the draft has been passed. Its approval as soon as possible is of pressing urgency.

Problems in Banking System Highlighted*AU1804184594 Tirana ALEANCA in Albanian
16 Apr 94 p 3*

[Article by Emin Barci: "The Banking System—Time for Changes"]

[Text] I was prompted to write this article by a conversation with an angry businessman who was being put through a rigmarole in the hall of the Tirana bank. He was trying to pay a duty of several million leks to the customs office of another district. He possessed the money, but was in a fix. The problem was that this money was on deposit in foreign currency. This created two problems: If he paid through his account, he would have to incur a severe loss because the bank used one exchange rate and the customs duty calculated on the basis of another used on the parallel market. The second problem arose as a result of trying to solve the first. He tried to withdraw the required sum in foreign currency, but was faced with the fact that he could not withdraw more than \$5,000 a day. The entire sum that he was required to pay would take weeks.

This is only one of the many problems one encounters in the banking system today. One very serious weakness is the failure to use classic banking documents that the world has used for centuries. One of these is the check. Checks are not used for foreign currency withdrawals. They are replaced by a standard white form called a "foreign currency withdrawal request" that records the sum and is signed and stamped by the applicant. There is of course no question of such documents as bank guarantees, internal letters of credit, etc. The existence of bank guarantees or internal letters of credit would greatly accelerate the movement of money. There would no longer be any need for people to carry briefcases full of money, which often leads to the murder of businessmen. Instead, the briefcase could contain a single piece of paper that becomes valid when the seller and purchaser come to an agreement. Moreover, the existence of such documents, in cases where the purchaser receives the goods before paying, gives the seller security and stops him bothering the purchaser. The existence of such documents would greatly ease the work of customs and tax offices. Such a practice would then lead to money that has accumulated in pockets and bags being put on deposit, which would improve control over the money supply and develop credit policy.

Let us consider the latter for a moment. There is dissatisfaction on both sides over this. Clients complain that credit is still very tight, and that obtaining a loan involves a great deal of time, bureaucracy, and, why not, in many cases bribes. Meanwhile, the banks for their part also complain of irregularities on the part of borrowers, who fail to observe repayment schedules or do not pay the loan back at all. The banks' complaints extend to the courts, which fail to repossess properties mortgaged by borrowers.

Deposits now earn 20 percent interest a year, compared with 32 percent last year. This 12 percent fall is explained by the decline in inflation. However, both ordinary people and businessmen think differently. They think that, in comparison with one year ago, one can buy fewer goods and services with the same amount of money. For ordinary people, this means higher, not lower inflation. Bank specialists have a different opinion. They argue that an interest rate of 32 percent was artificial and was forced on them in order to attract money to the bank. Once this aim was achieved, the problem was how to pay this rate of interest. The main way to do so was by granting credit. However, at a time when there was little domestic investment, this credit was only short-term, and part of it was never returned. Under such circumstances, the simplest response was to lower the level of interest on deposits. However, the main problem with interest rates is that they are artificial and are of an administrative nature. As long as securities genuinely tied to a real estate market do not exist one cannot talk about the cost of money or, as a result, of a real interest rate that responds to supply and demand for the lek.

The final point concerns bank secrecy, which is one of the most vital elements for the existence and growth of the banking system. There are suspicions that the state administration interferes in our banking system through the State Control Commission, the Financial Police, the National Intelligence Service, and the Investigator's Office. Perhaps a special law should be drafted for this, clearly laying down the circumstances under which deposits can be inspected. These occasions, like the organs so authorized, should be as few and serious as possible.

Zhelev Meets Kinkel, Stresses Embargo Losses*AU1504133794 Sofia Khorizont Radio Network in Bulgarian 1300 GMT 15 Apr 94*

[Text] On 15 April President Zhelev received Klaus Kinkel, German vice chancellor and minister of foreign affairs. Valentin Stoyanov, spokesman for the president, describes the character of the meeting:

[Begin Stoyanov recording] President Zhelev again stated that integration into European structures is a basic priority of Bulgarian foreign policy. He expressed the hope that Germany will facilitate the ratification of the agreement on Bulgaria's associated membership in the European Union.

Klaus Kinkel said that the ratification will probably take place before the elections. In addition he said he would do what he could to help increase German investments in Bulgaria. He pointed out, however, that this also depends on Bulgaria. We must become a more attractive country.

President Zhelev again stressed the losses Bulgaria is suffering from the Yugoslav embargo and pointed out that not only economic operations that have been affected, as the road to the West has been closed. Despite the fact that there are no military actions on Bulgarian territory, we are considered a risky state merely because we are located in the Balkans. This is something from which we will perhaps suffer even in the next few years. [end recording]

Commentary on UN Corridor, U.S. 'Pressure'*AU1804124594 Sofia KONTINENT in Bulgarian 14 Apr 94 p 8*

[Commentary by Konstantin Subchev: "States or Corridor?"]

[Text] The old joke—"every rumor becomes a reality"—has again proved its correctness. After repeated denials of government and presidential spokesmen that the United States and NATO were applying pressure on Bulgaria to agree to opening corridors for the "Blue Helmets" on their way to Sarajevo, it was eventually requested by [U.S.] Ambassador Montgomery.

Now Bulgaria is about to make a move in the diplomatic chess game. Its future existence as a sovereign state depends on this move.

Every involvement in an international conflict begins in such an innocuous manner. Along the same route in 1914-15 military equipment for Turkey was transported by Germany and Austro-Hungary through the territories of the still neutral Romania and Bulgaria. In addition we received a loan from "Diskontogesellschaft," a small territorial concession from Turkey, and... we ended up in 1919 with Neuilly.

Now history seems to be repeating itself not as a farce but as a new drama. This is so because if we give in to pressure, after NATO military equipment we will have to make the next logical step and allow Turkish "blue helmets" through our country on their way to Bosnia. Against the background of increasing pro-Turkish and Islamic propaganda in the mixed population regions in Bulgaria this would be like pouring oil on a fire.

In its modern history, Bulgaria has suffered much from shortsighted or simply corrupt politicians. Today the issue of Bulgaria being dragged into an escalating military conflict in former Yugoslavia is again on the agenda. This would mean only one thing—a new Balkan war.

Montgomery's demand poses a test for our statesmen—will they find the courage to sustain the principled policy of total noninterference in the conflict, or again jump on the bandwagon of the one that appears to be strong at the moment. Whether Bulgaria will remain a state or will become a "corridor" for everyone who cares to cross the country depends on the answer.

For us Bulgarians, only one bitter consolation will be left: Namely, that whoever took us as an ally or as a Vilayet [Turkish province] did not prosper too much....

Role of U.S. Ambassador Criticized*AU1904085994 Sofia KONTINENT in Bulgarian 16-17 Apr 94 p 8*

[Commentary by Krasimir Tomov: "Corridor of War"]

[Text] The spectacle of government and parliament that was staged over the UN corridor for transporting military equipment for the U.S. "Blue Helmets" in Macedonia [The Former Yugoslav Republic of Macedonia—FYROM] was as touching as a soap opera. For all more or less informed observers it was clear that U.S. Ambassador William Montgomery did not waste his time during the days preceding the decision, and that the decision to allow the armored carriers to cross Bulgaria has practically been made. Certain sums of U.S. dollars, no more than pennies compared with what we lose from the Yugoslav embargo, entered the safes of the Bulgarian National Bank in the last two days. Apparently, this golden dew was a weighty argument for some people, even though very soon this miserable pittance will be returned to its original owners, without leaving a trace in the Bulgarian economy and finances.

Our multicolored parliament made an effort to utilize the case that it was served by the UN general secretary and his tacit representative in Bulgaria, Mr. Montgomery, to stage a new exercise in political demagoguery. All the tales were told on the morning of 16 April. Even Mr. Savov [chairman of the Union of Democratic Forces parliamentary faction] was defending from the rostrum of parliament an employee of the U.S. Embassy. Only one thing remained unsaid: From where and through

what channels did Butrus-Ghali's request for the transportation corridor come to Bulgaria? Through our representative at the United Nations? Through the Ministry of Foreign Affairs? Was the request sent straight to the government, or was it really conveyed only through the U.S. ambassador?

This directly returns us to a statement that a Russian politician made some 10 days ago that the international organization has become a branch of the U.S. State Department.

Indeed, Montgomery came to our country with a clearly announced agenda. Usually the heads of sovereign states refuse to accept the credentials of diplomats who come with such an agenda. When this did not happen to the gentleman in question, he obviously began to expand the range of his activity. He is no longer working to found ethnic parties and to pass the relevant constitutional amendments, (such parties exist despite what our Constitution says about it), but rather directly to turn Bulgaria into a side to the existing conflict and budding conflicts.

This is actually what Montgomery is being paid for.

However, it is not clear what the Bulgarian National Assembly are being paid for by the taxpayers. They are so carried away in their efforts to turn our country's face toward Europe, which they have actually replaced with the United States, that they forgot our country's other end.

Of course, there always is the possibility that they could not care less. In this case we recommend that they read "The Life and Suffering of Sinner Sofroniy" by Sofroniy Vrachanski [describing the plight of the Bulgarian people under Turkish rule in the second half of the 18th century].

To return to the UN request. The basic argument is that Bulgaria is the only state that has a border with Macedonia that is convenient for the transportation of military equipment for the U.S. "Blue Helmets" in Macedonia. A brief glance at the map shows that the Greek-Macedonian border is no less convenient, and that the military equipment could be transported to Greece by sea. However, even though the Greeks are NATO members, they refuse to do this. They suspect that behind the armored carriers of the UN convoy there is Antalya smoke and also that particular article of the Macedonian Constitution that claims territories now outside Macedonia's borders. Perhaps the Greeks crossed the borders of prudence with their rallies and economic blockades, but the Bulgarian politicians must be aware of our history and remember how in 1912-13 (after the victory over Turkey) that particular territory [Macedonia], created by the Berlin Congress, was divided among Greece, Serbia, and Bulgaria. Whether it was just or not is another question, but even if we start singing again "Allies-Robbers" [patriotic song of the Balkan wars], the banal fact remains that this particular article of the Macedonian Constitution also applies to the Pirin

region. Let us remember that Ambassador Montgomery specifically promised the Senate commission to work for the establishment of a Macedonian party in Bulgaria.

All the rest—for example, the international commitments officially assumed by our country—is empty talk. Nowhere in those commitments is it said that we should allow any troops, arms, or military equipment through Bulgarian territory.

The truth is that the UN could transport those wretched 20 or so vehicles with a few short flights of Hercules aircraft. This would be hardly more expensive than, for example, that senseless military action in Somalia. And let us not forget that Bulgaria also participates in the financing of the United Nations, in accordance with its modest means.

The truth is that the establishment of a precedent was sought. Now it exists. After the armored carriers of the U.S. "Blue Helmets" there will come the tanks of the Turkish "Blue Helmets." And afterward why not Turkish battalions? Such things have happened in history, but apparently it does not exist for politicians.

Thus the corridor of war already exists. May God and Montgomery save us!

Karabashev Wants More Teamwork in Cabinet

AU1604160194 Sofia TRUD in Bulgarian
11 Apr 94 pp 1, 3

[Interview with Bulgarian Deputy Prime Minister Valentin Karabashev by Svetlana Krusteva; place and date not given: "Government Should Work Much More as a Team"]

[Excerpts] [Krusteva] Mr. Karabashev, when interviewed in the hospital, Professor Berov explained that he had appointed Matinchev as his successor because during that period you had foreign trips planned. What changes would you make to the present government if you were able to?

[Karabashev] In principle, especially at the present juncture, a government should be much more of a team. I would increase the degree of team work. Team spirit is enhanced when the views of the individual ministers on the main issues are closely similar. Naturally, arguments must occur from time to time, but nonetheless as far as economic policy is concerned, ministers should not have radically opposed views. A cabinet is not a parliament, it is a government that has to work as a team.

[Krusteva] Journalists have stated that the most important recent piece of news was Dr. Zhelev's statement in which he withdrew his confidence in the government. The president motivated this decision by leveling accusations against the cabinet. Which of his charges do you accept and which do you not?

[Karabashev] I would prefer not to analyze what the president said. As a citizen of the country and as president, he is fully entitled to make his own assessment of the government's work. It is another matter whether his confidence or lack of confidence has ethical or political grounds, but his statement has no particular importance as far as it concerns the cabinet's future, which depends solely on parliament.

I believe that the president was largely incorrect on privatization. In fact, Ms. Indzhova has invested and is investing great efforts in speeding up the privatization process. I am trying to help her within my powers, because she is in fact the one who under the law is able to implement the privatization. The numerous attacks against me claiming that this process is not proceeding fast enough show that these critics have not read the Privatization Act.

As deputy prime minister, I have no direct functions concerning privatization, I cannot make any decisions, nor can I carry them out. This is the task of the individual ministers and, first and foremost, the Privatization Agency. As minister of trade, I think that I am fulfilling my functions. Mine is the only ministry that fulfilled its privatization program in 1993, and it will fulfill it in 1994 as well. [passage omitted]

[Krusteva] Your party's leader, Prof. Nikolay Vasilev, has stated that you are the only member of the cabinet who is trying to carry through the privatization. Who is stopping you from doing this?

[Karabashev] Krusty Petkov asked me the same question. I have mentioned before the factors that are hindering me, including personal ones. Now I would like to give a very concrete example, something that I have not done until now, and which I am telling your newspaper for the first time. You probably recall the big arguments about the "Karabashev" and "Berov" privatization models during the summer of 1993, more than eight months ago. If the so-called "Karabashev" model had been adopted, the situation would be very different now. My project provided for a specific number of enterprises to be included in investment funds of holdings before the changes, and a dispute arose about the name. The management of these holdings was to be placed on a financial and economic basis, to make them much more independent of the state. After the first results of the activities of the holding companies had been reported—which would be now, in April 1994, by passing the law one could then go ahead with privatizing these funds or holding companies. However, this was not done. Instead, we adopted a compromise version, and now, even if the Privatization Act is amended, this program, which will take a long time to complete, will be launched only as of now. [passage omitted]

Prime Minister Urged To Resign Due of Illness

AU1804152994 Sofia OTECHESTVEN VESTNIK in Bulgarian 14 Apr 94 p 1

[Commentary by Petya Vladimirova: "Parliament Holds Key"]

[Text] In addition to being a test for our medicine, the new illness of our prime minister will also be a test for the Bulgarian politicians. More precisely, it will provide the last opportunity to assess their real stature. It will highlight their sense of responsibility toward the state in the near future. It will clearly show their concern for our national fate, regardless of their verbal declarations and oaths. Their morals will become obvious and we will finally see whether they still have a certain responsibility to "the voters," or whether they have really sunk in the mire of their insurmountable selfishness and corporate greed.

If the suspicion about Professor Berov's illness is confirmed, it would mean that he will be absent for at least six months. This means that our state will find itself in the paradoxical situation in which it is led by a government without a leader, who is the only one authorized to adopt strategic decisions. The reshuffle planned for a long time by the Bulgarian Socialist Party [BSP] and the other parliamentary groups will fail to materialize. Indeed, the differences in the concealed goals of those parliamentary groups are so great that even if the prime minister was healthy this reshuffle could not have been carried out without the powerful partner from the left making his preferences known.

The reshuffle will fail to materialize because it is immoral to pressurize a sick prime minister to "repair" his cabinet under the dictation of politicians who are pursuing their own or their parties' interests. However, according to Ahmed Dogan, the "prime minister had the willingness to rule," and it is expected of him that he will show this willingness by accepting the ideas of personnel changes that will be submitted to him while he lies in his hospital bed. The BSP intends to discuss the situation. One should not wonder if the new situation that emerged would serve the BSP better than the situation of having a healthy prime minister. This way his deputy, Matinchev, will remain as acting prime minister very conveniently for a long period of time. On 13 April he clearly stated that Professor Berov should rest, and that he should leave the governing to him and his colleagues. Since the Constitution does not provide a solution, what Matinchev said could become Bulgaria's reality in the next few months.

If our politicians have preserved in themselves at least a small measure of responsibility and statesmanship the parliament should pass a vote of no-confidence in the cabinet because of the new circumstances rather than providing it with the straw of the international agreements, used to justify its staying in power.

If Prime Minister Berov is really concerned with the efficient ruling of the country, he must resign and thus prove that he is the master of his own will.

The rest is merely irresponsibility at the expense of the people.

ASP Urges Government To Start Privatization

AU1504125694 Sofia KONTINENT in Bulgarian
11 Apr 94 p 3

[Interview with Professor Nikolay Vasilev, chairman of the Alternative Social Liberal Party, ASP, by Lyubimka Naydenova of the Balkan Agency; place and date not given: "ASP Will Withdraw From Government Unless Privatization Starts"]

[Text] [Naydenova] Professor Vasilev, at the last meeting of the ASP [Alternative Social Liberal Party] Executive Council, did you discuss possible cabinet changes? Did anyone propose that Deputy Prime Minister Valentin Karabashev should replace Prof. Berov?

[Vasilev] The ASP Executive Council discussed actions that the government in its present form should undertake to speed up privatization—which is the sole condition for the cabinet's survival. We give the cabinet one last chance to sign the new agreement with the international financial institutions. This can happen before the beginning of June, but only if the process of privatization is really started. The measures we are recommending to the ministerial team will enable it to save its own skin. Unfortunately, the people in Bulgaria who know how to govern receive no support to do just this. We do not envisage a cabinet reshuffle, and have not proposed anyone for prime minister. At the very least, it is improper to do this before Prof. Berov has completely restored his state of health. However, we set the present cabinet team one emphatic condition: Either it should elucidate what powers the ministers have for launching the privatization, or we will bear no responsibility for the failure of the government's program. They must untie Valentin Karabashev's hands to permit him to act within his delegated sphere of responsibility, or else we will withdraw our representatives from this cabinet.

[Naydenova] Why do the ASP experts think that the privatization process has failed to move from its stalemate position, given that parliament recently passed the Privatization Act and that, at the very outset when it was formed, the government stated its firm intention to apply this law.

[Vasilev] The law is a matter with which our own party team has been concerned, and it is not a bad basis for real actions. It needs to be amended, but can operate even in its present form. The launch of privatization is being postponed because real economic groupings (not the ones that occupy the front pages of the newspapers) are not yet ready to take part in it, so they are delaying the process by all possible means. To this one must add the lack of readiness on the part of the labor collectives

in the enterprises that are likely to be privatized, as well as the vast bureaucratic administration that is being deliberately maintained and makes the process much more difficult. The ASP believes that the mass and market privatizations should be launched simultaneously, but one cannot expect any quick results from the former during the next few months, or even the next few years.

[Naydenova] Do you think that the cabinet can work as a team in its present form?

[Vasilev] Unfortunately, the formula according to which the government was formed was incorrect from the very outset. At the beginning of its term in office, there were perhaps some faint signs of team action, but since the middle of last year the confrontation between the different tendencies within the cabinet have become quite evident. The cabinet's work has stalled. The ASP cannot be responsible for the fact that its representatives in the cabinet are prevented from doing their jobs. We cannot assume responsibility for the actions and inaction of Matinchev, for example. The country needs a government of political responsibility.

BSP Marxist Faction Leader on Draft Program

AU1804150294 Sofia NOVINI 5 in Bulgarian
14 Apr 94 p 9

[Interview with Dr. Mincho Minchev, chairman of the "Marxist Platform" Ideological Union in the Bulgarian Socialist Party, by Magdalina Andonova; place and date not given: "We Oppose the Uncritical Acceptance of Social Democracy"]

[Excerpts] [Andonova] On the basis of its contents, the draft program of your ideological union is described as the most leftist one in comparison with the other draft programs. Do you oppose the draft program of the Strategic Center led by Aleksandur Lilov?

[Minchev] It is true that our draft of the Bulgarian Socialist Party [BSP] program could be described as the most leftist one of all those submitted. However, this does not mean that it is supported only by the leftist periphery of the party. On the contrary, we are convinced that it is closest to the understandings of the majority of Socialists.

Nevertheless, we think that the document of the Strategic Center is the basic one. With its openness to most different ideas it could unite the party at present and preserve it as a whole. Our draft is not an alternative but rather a correction to the "Lilov" draft. [passage omitted]

[Andonova] Are you trying to save Marxism from oblivion, or have you discovered new elements of this teaching?

[Minchev] Marxism does not need to be saved. It has not been forgotten by any serious political scientist in the

West. Without the Marxist methodology it is impossible to analyze the contemporary social processes or forecast the future.

[Andonova] Very briefly, what are the basic tenets of your draft program for the BSP?

[Minchev] First—overcoming the social crisis and ensuring a new national upsurge in Bulgaria are unthinkable without restoring socialism.

Second—For this we do not merely need an alliance of the left and center parties, but rather to win the support of a great part of the working people in Bulgaria.

Third—We must turn the BSP into a modern Marxist party, which takes into consideration the changes that have taken place in the world and the new social realities, without relinquishing the basic goal—implementing the civilized socialist plan of social development.

[Andonova] To what will you never agree regarding the positions of your opponents in the party?

[Minchev] Those are the people who propose to turn the BSP into a typical social democratic party with all its attributes (which have been rejected by the time). The changes that took place in Europe and the world after 1989 were an expression not only of the crisis of the Communist Parties, but also of the crisis of the social democratic parties. I find it strange that there are people in the BSP who think that since "the fall of communism"

the parties of the social democratic type have triumphed. This is not true! Those parties are also in the middle of a great crisis!

We oppose the uncritical and total acceptance of the parties of the social democratic type as a model for the change in the BSP simply because parties of this type are frozen in their development at the 1951 level, when the Stockholm Declaration of the Socialist International was adopted.

Since then the world has changed beyond recognition. During this period there was real socialism in the East European countries and it is political infantilism to ignore this fact.

Something new must be sought. We could find it only if we move forward and continue our struggle.

Cooperation Agreement Signed With Ukraine

AU1804184694 Sofia Khorizont Radio Network in Bulgarian 1600 GMT 18 Apr 94

[Text] Viktor Mikhaylov and Andriy Vasylyshyn, interior ministers of Bulgaria and Ukraine, signed a cooperation agreement today. The agreement provides for joint action in combating organized crime, narcotics trafficking, and illegal trade in strategic raw materials, as well as the exchange of information on persons being sought and other similar problems. The two delegations were received by Deputy Prime Minister Evgeni Matinchev.

Government To Respect UN Arms Embargoes

AU1804183394 Prague CESKY DENIK in Czech
14 Apr 94 p 2

[Interview with Deputy Foreign Minister Alexandr Vondra by Stanislav Cervinka; place and date not given: "The Czech Republic Will Not Export Arms to Countries Embargoed by the United Nations"]

[Text] After his return from his 12-day visit to Syria, Pakistan, and Iran, Deputy Foreign Minister Alexandr Vondra pointed to the key influence of these countries. In this connection, we asked him:

[Cervinka] You stressed that the Czech Republic [CR] does not export arms to Iran. Does this also apply to Syria and Pakistan?

[Vondra] The CR has not exported any large volumes of military technology to these countries recently. Spare parts for the previously delivered technology is an exception. In the future, similar deals will be regulated by applicable laws. Each and every deal will be judged separately on the basis of this law. This law does not include a list of off-limits countries. In no case will the CR export arms to countries on which the UN has imposed an embargo. In the case of other countries, the foreign policy aspects of each and every deal will be considered.

[Cervinka] How do you view developments regarding the CR's claims in the Middle East?

[Vondra] It is extremely difficult to assess such a situation. The CR, as one of the successor states after Czechoslovakia, inherited claims that had been established in past decades due to the fact that Czechoslovakia, as a Warsaw Pact member, supplied many developing countries with various goods. Economic considerations, essential in foreign trade, were either secondary or totally unimportant in such cases. Many Third World countries still do not perceive past deals as normal business but as assistance provided to them by the then Soviet bloc to maintain balance in the world or develop their economy. This does not mean, however, that the CR will waive its claims. If we are to retain our chance of getting paid for our claims in the future, we have to search for ways that will encourage future cooperation that will be acceptable to both sides. I am convinced that this is the situation in those Middle East countries on which the UN embargo has not been imposed. This cooperation, however, will not continue in the spirit of the strategic intentions of the former Soviet bloc.

Klaus: No Reason To Formally Apply to EU

AU1804131994 Prague DENNI TELEGRAF in Czech
9 Apr 94 p 1

[Interview with Prime Minister Vaclav Klaus by Martin Danes; place and date not given: "Intermediate Steps Toward European Union Membership Should Be Economic"]

[Text] [Danes] Hungary formally applied to join the European Union [EU] a few days ago. Poland followed Hungary's suit on Friday [8 April]. Why is the Czech Republic not planning to take such a step? The results of economic transformation in the Czech Republic are comparable, to say the least, with the results of these two countries....

[Klaus] I know well that there is no opportunity, possibility, or room in the EU today to deal seriously with those applications. In my opinion, these applications will simply lie around. The Community has made it repeatedly clear that the very first possibility to even start considering such a move would be after the EU's general conference in 1996. Therefore, I see no reason for us to engage in some hasty activities precisely at this moment.

[Danes] One of the arguments used by Hungarian politicians [for applying now] is that they are interested in so-called partial membership, the possible establishment of which is indicated by some voices coming from the EU. Such partial membership should include only the political dimension. What is your view regarding the issue of partial membership?

[Klaus] I repeat that, in contrast to some other politicians, including Czech politicians, I am in favor of some intermediary steps leading to membership. I believe that a certain vacuum between associate membership and full membership will have to be filled by some new initiatives. Nevertheless, I do not share the view appearing in those proposals that these initiatives should be political and security-oriented first and only then economic. I think, in fact, that it should be precisely the other way around.

[Danes] The first round of the second wave of coupon privatization begins on Monday [11 April]. Although no dates have been fixed thus far, do you think that the whole process, up to the issuance of shares to the participants, will be shorter than in the case of the first wave?

[Klaus] I think so. All participants have become trained in some practices, and even the method of calculation, the algorithms, the manner of issuance of shares, and the like have changed somewhat. I therefore believe that the whole process could be cut short. Although I am not going to argue about hours, days, or weeks, I am convinced that everything should be definitely over before this year is out.

Official: Nation May Join NATO in 2 Years

AU1504154594 Prague CESKY DENIK in Czech
13 Apr 94 p 2

[Article by "jiz": "The Entry of the Czech Republic Into the North Atlantic Alliance May Be Feasible in Two Years"]

[Text] Prague—A feasible time for us to join NATO would be after 1996, when the first stage of the transformation of our Army is completed. This is what Vladimir Suman, chairman of the Defense and Security Committee, told the CESKY DENIK correspondent after meeting [NATO representatives] Loic Bouvard and Peter Corterier. Furthermore, according to him, it is in NATO's interest that a country with our strategic location and economic stability become a member. Suman said that the NATO representatives' assessment of our republic was unequivocally favorable. Only Partnership for Peace will test our specific military ability to cooperate with the NATO armies and the possibility of joining this structure. In his opinion, the security development in Europe may electrify the situation.

Pensioner's Movement Becomes Political Party

AU1804202594 Prague CESKY DENIK in Czech
12 Apr 94 p 2

[Article by "(jis)": "The Establishment of a New Party"]

[Text] Kolin—At its extraordinary nationwide assembly, the Movement of Retired People for Social Security decided to transform itself into a political party—Pensioners for Social Securities. This change will not reportedly have any impact on the political line and the party's decision to fight on behalf of socially endangered individuals among our people. The main stress will be laid on the existential interests of the pensioners. According to Otakar Skalsky, press spokesman of the party, thousands of new members have joined the party recently.

Industrial Production Falls, Unemployment Rises

AU1904074294 Prague HOSPODARSKE NOVINY in Czech
13 Apr 94 p 3

[Article by Antonin Jilecek: "The Development of the Czech Republic's Economy in February 1994"]

[Text] At the beginning of 1994, there was a slight recovery in construction output and in several industrial sectors. The Czech Republic's overall industrial production fell by 3 percent in February and 1.6 percent in the January/February period, compared with the same periods in 1993. Output in small enterprises with up to 24 employees increased by 23.7 percent within two months, while, in other enterprises, it declined by 3.9 percent. The output of the paper industry, printing, and publishing companies increased by 15.3 percent, of the coke plants and the refinery industry 9.6 percent, of the

chemical and pharmaceutical industry 3.3 percent, and of the food and spice industry 3 percent.

The number of employees declined by 5.5 percent in January and February against the same period a year ago. The average monthly wage reached 5,899 korunas [Kc], 11.1 percent higher in this period.

Construction output increased by 3.3 percent in February 1993 and by 7.7 percent since the beginning of the year, compared with the same period last year. The increment in construction output this year has been secured by companies with 25 or more employees. The number of employees increased by 1.3 percent in February, compared with the same period last year. Their average monthly wage reached Kc6,371, an increase of 11.8 percent.

The volume of goods transported by the railroads has increased by 14.8 percent since the beginning of the year, compared with the January-to-February 1993 period. Bus transportation increased by 4.5 percent and river transportation by 4.8 percent, but the number of passengers continued to decline.

Compared with the January-to-February 1993 period, the number of slaughter poultry declined by 30.7 percent, slaughter cattle by 6.3 percent, milk by 7 percent, and eggs by 8 percent. The sale of slaughter pigs increased by 3.6 percent.

Owing to the increase in prices for animal products, prices for agricultural products increased by 1 percent overall in February 1993, compared with February 1994.

The price increase in February was minimal (0.2 percent against January), and food prices fell by 0.2 percent. In the service sector, the price of water and sewage disposal increased by 0.7 percent. Compared with February 1993, prices were generally up 10.3 percent. Prices for services rose 19.5 percent, nonfood products 11.6 percent, public catering 6 percent, and food 4.5 percent.

According to preliminary results, the overall volume of exports (in prices including cost, insurance, and freight to the borders of the buyer) rose by Kc51.1 billion, 6.6 percent higher than in the same period last year. Exports to Slovakia declined by 15.5 percent. Exports to European Free Trade Association countries and developing countries, in particular, have increased.

Imports in the first two months reached Kc50.2 billion and were 26.4 percent higher than in the same period last year. Imports from Slovakia fell by 3.1 percent.

In two months, the trade balance showed a surplus of Kc0.9 billion, and Kc1.4 billion with Slovakia.

Commentary on Visit of Deputy Secretary Talbott

U.S. Must Offer More Than 'Partnership'

AU1804133094 Bratislava SME in Slovak 14 Apr 94 p 4

[Commentary by Miroslav Caplovic: "Slovakia's Heading Toward NATO"]

[Text] For four decades, in which the Soviet Union dictated in the Warsaw Pact the policy of fraternal cohesion, the United States was struggling to bring down communism. It is precisely for this reason that the postcommunist states expect the U.S. struggle for democracy to lead them among the countries of the Western world and why it is naive to expect Moscow to renounce its interests in its erstwhile empire. After all, even the colonizers of America, Africa, and Asia have retained to this day indirect influence in their lost dominions.

Slovakia's and its neighbors' heading toward NATO will therefore be more than arduous. If the Americans sincerely strive for "Slovakia to be a democratic, stable, and prosperous state on the map of Europe" (statement made by Deputy Secretary of State Strobe Talbott in Bratislava the day before yesterday), they will have to offer us "something extra" besides Partnership for Peace—that is, they should not confine their assistance to cooperation in science and education but must raise the level of investment and make accessible to us the U.S. and West European markets. It is an unalterable fact that, the more the West is involved in Slovakia economically, the more it will care about our security.

Moreover, the West European orientation of Slovak diplomacy has been complicated by the division of the CSFR. A gigantic amount of German capital is flowing into the Czech Republic, and Bonn will therefore undoubtedly give priority to Prague's admission into the European Union [EU] over the Polish, Hungarian, or Slovak applications (although no one speaks about it in public, this is absolutely logical from the geopolitical viewpoint). Brussels will certainly not support the EU's expansion up to the borders of Ukraine, where nuclear weapons are still located. Is the anxiety that the Warsaw-Bratislava-Budapest axis might become a security vacuum not justified?

Eduard Kukan, the chief of Slovak diplomacy, said in an interview for yesterday's RUDE PRAVO that "the best foreign policy is good and well-considered domestic policy." An occasional "state show" is an integral part of it. While receiving Talbott, President Michal Kovac reissued his invitation to Bill Clinton to attend the 50th anniversary of the Slovak National Uprising. We may not appreciate this sufficiently at home, but the August uprising went down in history as a nationwide and grandiose expression of antifascist resistance, in which few other nations can take pride. Will our politicians be able to make use of their foreign contacts so that prominent Western leaders come to Banska Bystrica this summer?

A month later, the burden will lie on voters, lest we turn our existing policy line toward Vladimir Volfovich [Zhirinovskiy] and send a Pan-Slavic greeting to him....

'Confusion' in U.S. Foreign Policy

AU1804142494 Bratislava REPUBLIKA in Slovak 14 Apr 94 p 5

[Commentary by Jozef Janto: "U.S. Confusion and the Integration of Europe"]

[Text] One of the architects of the Partnership for Peace, Deputy Secretary of State Talbott, said at a meeting in our capital on Tuesday [12 April] that Slovakia was not in a security vacuum. He was reacting to our fears, and those of Polish representatives, in particular (he had been to Warsaw the day before), that our countries are in the so-called gray zone—that is, in a security vacuum between West and East, and are almost defenseless. At the same time, he pointed to the project for prospective NATO membership, which has been joined by 17 East European countries, including former USSR republics. Russia, it is a well known fact, is considering joining the Partnership for Peace plan. However, if we set Talbott's assurances against the most recent statements by U.S. politicians and NATO representatives, according to which the Partnership for Peace does not provide direct guarantees for NATO to come to the aid of countries under threat, we have here, to put it mildly, a contradiction.

Let us theorize. Despite the nervous statements by Hungarian chauvinists, the current situation in Central Europe does not give rise to worries about a possible confrontation. However, emotions are volatile, and, for two years now, we have seen merciless combat operations a few hundred kilometers south of our country. Not everything is without problems in the CIS, either.

We can put this question in a different and a more specific way: Does the leading NATO country, the United States, have a firm foreign policy on Europe? Talbott said in Bratislava that Europe must integrate in terms of the economy and security and that the current situation was the most proper for it. Such a situation arises once in a hundred years (on this occasion, he appreciated our policy and orientation toward European integration). We ask this question because the foreign policy of the United States—on former Yugoslavia, for example, about which no one doubts that it belongs to Europe and not to the Islamic world—does not confirm this. U.S. generals said last week that they would not intervene in Bosnia. This encouraged the Serbs, but they were attacked by U.S. fighter planes on Sunday [10 April] and Monday [11 April]. The Muslims, who are the most active in the combat, are calling for more U.S. planes and even for ground forces. The Americans have some 15,000 troops in former Yugoslavia (in the UN peacekeeping forces), which is about 9,000 fewer than

the number of "advisers" in Vietnam in 1965. Confusion in U.S. foreign policy also affects Moscow's position—not only President Yeltsin's but also that of the right and the left opposition, which are shouting that the United States did not consult with Russia on the bombing and that they reserve for themselves the right to be informed in the future.

There is no better idea than the unification of Europe. It must be said, however, that people have wanted for a long time, but there was always someone to put a monkey wrench in the works. The Balkans are the biggest monkey wrench now. It is precisely in the Balkans that the situation should be sorted out in a peaceful manner. But not to the detriment of the Serbs or even the Croats.

Moravcik on 'Risks' of Previous Developments

AU1804122494 Bratislava SME in Slovak 13 Apr 94 p 1

[Interview with Prime Minister Jozef Moravcik by Jana Pankovcinova and Robert Kotian on 12 April; place not given: "Risks of Previous Political Developments Have Not Been Overcome"]

[Text] [SME] What made you devote such a large part of your speech to internal party affairs of the Movement for a Democratic Slovakia [HZDS] while presenting the Slovak Government Policy Statement [to the Slovak parliament on 12 April]?

[Moravcik] What happened in the HZDS went beyond the framework of internal party affairs, in my opinion. I tried to explain this in my speech. I believe it is important for citizens to understand this and for them to understand also the logic of current developments. I think that the risks of certain developments we witnessed here have still not been overcome.

[SME] Your former party colleagues have accused you and the government of having personally participated in the policies of the HZDS and the former government. Was their criticism voiced in the parliamentary debate warranted?

[Moravcik] My leaving the HZDS was the logical culmination of a string of events. The HZDS took a different course than we intended when formulating its program. For this reason, I believe that what I did was unavoidable.

[SME] On what did you base the assertion in your speech today that the HZDS has been misleading its voters since 1992 and that it has lost some of its voters?

[Moravcik] The HZDS electoral program submitted to voters two years ago was diametrically opposed to the reality of HZDS policy. The program was to a large degree liberal, while the practical policy of the HZDS leans toward extremism. There is a clear discrepancy here.

[SME] How important is the approval of the government's Policy Statement from the viewpoint of the IMF mission and its approval of a loan for the Slovak Republic?

[Moravcik] The Policy Statement lays down principles that have been agreed to by IMF and World Bank experts. They consider this program positive from the viewpoint of the further economic transformation of the Slovak Republic so that its approval will facilitate further talks.

[SME] Are you confident that your government will obtain the required confidence from the National Council of the Slovak Republic?

[Moravcik] I assume that we will find sufficient support in parliament.

Possible Removal of TA SR Management Viewed

AU1804193394

[Editorial Report] Bratislava PRAVDA in Slovak on 14 April on page 2 carries a 600-word TA SR report entitled "Personnel Changes Contemplated." The report deals with a meeting of the Coalition Council on 13 April, which discussed the situation in the mass media and hinted at possible changes in the TA SR management. Bratislava REPUBLIKA and Bratislava SLOVENSKY DENNIK in Slovak on 15 April both publish reactions by TA SR Director General Dusan Kleiman to his possible removal from office.

The Bratislava PRAVDA report on the 13 April meeting of the Coalition Council quotes Vladimir Miskovsky, chairman of the National Democratic Party-New Alternative [NDS-NA] Club of Deputies, as having said that, at the meeting, "the coalition partners considered whether the present TA SR management provides sufficient guarantees that the problems of the agency, particularly those associated with the publication of the daily REPUBLIKA, will be resolved." Miskovsky notes that, while his party insists on the replacement of the TA SR management, "the position of the Party of the Democratic Left [SDL] is more restrained," which "slows down the solution to this problem." The report continues: "Asked whether the name of the candidate for the post of TA SR director general is known, Vladimir Miskovsky said that the candidate will be nominated by the political grouping around Prime Minister Jozef Moravcik and that the NDS has already expressed its almost definitive agreement with this candidate. The Christian Democratic Movement, too, has expressed its preliminary agreement, and only the SDL has asked for time to think the matter over." Miskovsky reportedly did not want to disclose the candidate's name.

Bratislava REPUBLIKA in Slovak on 15 April on page 3 carries a 250-word unattributed report entitled "Liquidation of an Inconvenient Daily." According to the report, TA SR Director General Dusan Kleiman denied any "violation of legal regulations in the management of

TA SR property" and argued that the true motives for the plans to recall him are "to silence the daily REPUBLIKA and to retaliate, for political reasons, against the TA SR management." In his opinion, the present methods are the same as "those our generation experienced at the beginning of normalization [reference to period after crushing of Prague Spring reform movement by Warsaw Pact troops in 1968], when the first thing the normalizers did was liquidate inconvenient newspapers and inconvenient journalists." He stresses that "the planned intervention against the management of the agency demonstrates also before foreign countries the dependence of the mass media on the government and the encroachment upon the right to freedom of speech by those in power."

Bratislava SLOVENSKY DENNIK in Slovak on 14 April on page 2 carries a 500-word ARTERIA-STA-signed report entitled "Revenge for the Publication of REPUBLIKA." In the report, Dusan Kleiman reiterates that he would regard his possible removal from office as "politically motivated." He also affirms the TA SR management's efforts to transfer the publishing rights for REPUBLIKA to a private entity, in view of REPUBLIKA's gradual transformation into an "opinion-forming daily." In this context, the report notes: "According to Kleiman, the problem of REPUBLIKA dwells in its debt of 18 million korunas [Sk]. The entities with which the TA SR has been having talks about REPUBLIKA—the Slovak Heritage Foundation, Danubiaprint, and some financial institutions—are ready, according to Kleiman, to pay for the daily's name, the value of which has been put at Sk13.225 million and to take over about Sk7 million of REPUBLIKA's debt. No entity is ready, as he said, to take over REPUBLIKA for the price of its name, if it has to cover its Sk18 million debt at the same time, because, in that case, it would be impossible to guarantee its profits for a number of years to come."

Military Cooperation With Ukraine Discussed

AU1904160094 Bratislava PRAVDA in Slovak 15 Apr 94 p 3

[TA SR report: "Next Time Specifically"]

[Text] Bratislava—Provisions in the sphere of arms, supplies of materials and equipment, and services for the armed forces were the central issues discussed by delegations of the Slovak and Ukrainian Ministries of Defense in Bratislava yesterday. Possibilities of cooperation between military repair plants were also discussed. As regards technical provisions, the Slovak side expressed interest in, for example, purchasing spare parts for tanks, infantry combat vehicles, and radar systems. The Slovak Army also needs special fuel for missiles, lubricants for the air force, and other special supplies that used to be manufactured in the states of the former USSR. The two sides agreed to work out lists of offers that they will reassess under their own conditions.

At their next meeting, they will discuss specific requirements and proposals on the basis of the two armies' potentials.

Russian Official Views SR Trade Deficit

AU1904083994 Bratislava PRAVDA in Slovak 14 Apr 94 pp 1, 5

[Interview with Yuriy Zelenetskiy, commercial counselor at the Russian Embassy in Bratislava, by Lubo Rabay; place and date not given: "Deficits Are Not All the Same; Is Our Balance of Trade With Russia Really That Awful?"]

[Excerpt] According to Slovak statistics, Slovak imports from Russia reached approximately \$1.25 billion (41.2 billion korunas) last year. In the same period, Slovakia exported to Russia industrial products worth only \$260 million—that is, less than 8.6 billion korunas [Sk]. A comparison of these two figures produces a frightening Slovak trade deficit of over Sk32 billion. Is the deficit really so awful? Yuriy V. Zelenetskiy, economic counselor at the Embassy of the Russian Federation to the Slovak Republic, has a somewhat different view of the data.

[Rabay] You are supposed to have claimed that Slovakia's actual trade deficit is several times lower than the official statistics suggest. How is that possible?

[Zelenetskiy] The problem lies in the statistical method. We are of the opinion that, for the sake of objectivity, Slovak-Russian and Russian-Slovak trade relations should be assessed within the framework of the balance of payments rather than that of the trade balance. Only in this way will we arrive at an objective picture.

[Rabay] Does the balance of trade perhaps not include payment relations?

[Zelenetskiy] Miraculously, it does not. The balance of trade is based only on so-called customs statistics, which only register the physical movement of merchandise across borders. It does not include a whole range of commercial services that Slovakia provides to Russia on Slovak territory, and other facts.

[Rabay] But can something that never leaves our country be called an export?

[Zelenetskiy] Customs statistics do not permit that. It is possible using the balance of payments, however. According to the customs statistics, Slovakia really exported only about \$260 million worth of merchandise to Russia last year. However, during the same period, the Slovak gas industry provided Russia with approximately \$340 million worth of services in the transit of natural gas to West Europe. Russia paid for these services in kind—in gas deliveries (according to the bilateral agreement, Russia supplied us in this way with 3.7 billion cubic meters of natural gas, which is two-thirds of Slovakia's annual consumption—editor's note). In the

customs statistics, this volume figures as an import because the gas was physically imported. From the viewpoint of the balance of payments, however, this can hardly be qualified other than as \$340 million worth of exports by the Slovak gas industry to Russia. If you included just this sum in the mutual balance of trade, the ratio in Slovakia's disfavor would change from five to one to two to one.

[Rabay] Looking at it from this angle, however, even the rest of the gas that Slovakia imports from Russia, as compensation for deliveries of capital goods in the 1980's, looks more like exports than imports.

[Zelenetskiy] Exactly. This concerns deliveries as a compensation for past credits, according to the Yamburg Agreement. Slovakia does not have to pay for this gas, the annual value of which is between \$120 and \$150 million. This sum must again be added to Slovak exports. These exports had actually been effected in the past, and the gas supplied to Slovakia today is only a repayment of credit in kind. From the viewpoint of the balance of trade, last year's \$110 million worth of

deliveries of Russian special equipment belong to the same category because a part of former Czechoslovakia's claims [in Russia] that fell due to Slovakia was repaid by them. As you see, Slovakia's actual trade deficit has shrunk again—to approximately \$400 million.

[Rabay] We have not yet discussed oil purchases....

[Zelenetskiy] The volume of oil supplied by Russia exceeds Slovakia's need for oil products. According to unofficial data, Slovnaft [Slovakia's sole oil refinery] exports about 40 percent of its output, for which it receives foreign exchange, with which it pays for the oil. And there is yet another aspect. Crude oil that we export to the Czech Republic is being handed over to the Czech partner at the Ukrainian-Slovak border. The Czech partner pays Slovakia for the transit of this oil across the territory of Slovakia, and, once again, this agreement is advantageous for Slovakia. Therefore, if we wanted realistically to assess Slovakia's trade deficit last year with Russia, we would arrive at a sum of only \$200 to \$250 million. [passage omitted]

Gonczi Views Results of Litomyse Meeting

AU1804193794 Budapest NEPSZABADSAG in
Hungarian 18 Apr 94 pp 1,3

[Interview with President Arpad Goncz by Gyorgy Jozsef Farkas; place and date not given: "Agreement on Evaluating Central Europe"]

[Text] The meeting of seven presidents in Litomyse focused on the situation of the region and provided an opportunity for bilateral meetings. In the framework of these bilateral meetings, Slovak President Kovac told Arpad Goncz that Bratislava wished to solve the problem of family names, among other things. Arpad Goncz expressed his opinions about the results and lessons of the Litomyse meeting in an interview to NEPSZABADSAG.

[Farkas] Mr Goncz! Many international forums offer themselves to exchange of views today. What justifies the Litomyse-type meetings?

[Gonczi] I think that this type of meeting, like a typical discussion forum, has its own role to play. In our region and, the way I see it, all over Europe, the function of state president is beginning to shift into some kind of a moral role, and such a meeting capable of clarifying many issues is important precisely in this respect. I would say that the presidents carry and express the values and opinions of their people. For example, we experienced a surprising agreement on evaluating the role of regionalism, and I can say the same thing about the borders. There are people who talked about Maas-tricht-type borders and others preferred the creation of connecting borders. These two things practically mean the same thing, namely to stop the separating role of the borders.

[Farkas] In addition to the presidents' moral role, has the spiritual weight described by President Havel also been asserted in the meeting?

[Gonczi] There are no two identical countries in Europe, but the regions can, nevertheless, be clearly discernible. Although it is more difficult to precisely delineate Hungary's Western borders, but it is easier to find its Eastern border: It lies somewhere along the line of the Orthodox religion. It is characteristic of Central Europe that the seeds of the system of Western institutions can be found in every country, and the characters of these societies also resemble the others. Our experiences, that are simultaneously related to the West and the East, are connecting us. We can say that, even if not in the actual sense of the word, spiritually we understand each other's language.

[Farkas] If this is the case, for how longer do we have to convince the other half of Europe that we belong there?

[Gonczi] This does not depend entirely on us. The West puts forward a system of requirements that are partly political and partly economic. Regarding the latter, it is possible that, at a given moment, they may change this

into a secondary requirement if their interests dictate this. Economic interests and interdependence can best be expressed by the principle of markets for markets. If we get a market there, in exchange we can offer them the Central European market that is still open and is in their immediate vicinity. When modernization starts here and we also find markets for these products, our import ability will also increase, and problems and tensions in this part of Europe can decrease along with the increase in the mobility of products.

This requires long-term planning but, in times of recession, private economy is engaged in providing day-to-day answers for the time being. The way I see it, there is always full agreement at the top, but daily interests are increasingly emerging the more we get to the bottom.

Therefore, it would be important for this way of thinking to seep through from the top and reach some kind of general level; in other words, everyone should accept the necessary and unavoidable steps. This can be achieved through slow and careful work, but also with a change in international circumstances that might make it necessary for the Central European countries to join the Western structures overnight.

[Farkas] The German president, who celebrated his 74th birthday at the meeting and will soon step down from his position he filled for 10 years, received the most attention among the seven presidents present in Litomyse. How did you decide on your common present given to the German president, namely a map of Europe with borders that have been not valid for a long time?

[Gonczi] I only learned about the decision to give this present before my departure, and I found this idea very ingenious. The idea obviously originated from Vaclav Havel, who is known for the well-chosen symbolic means to give quite firm signals. Weizsacker was very moved to be celebrated by us, but no one questions the prestige gained in his long activity, a prestige with which he became a sort of "father figure" and a model figure as president in our region.

[Farkas] Has some kind of "Litomyse spirit" emerged in the meeting that was clearly held in a good mood, a spirit that can be remembered and used in the future?

[Gonczi] We can call it that way if this covers the fact that seven presidents discuss things together and understand each other in friendship, but we better call this a Central European spirit. The whole meeting had some kind of signal value: The seven presidents here focused on regionalism. There were people among us who represented a member of the European Union, like Germany, and countries that have reached the threshold of the European Union, like Austria; several countries have associate membership in the European Union; Slovenia has not yet reached that point, but it definitely belongs there. The idea of broadening the circle of members also emerged, because this is not a closed format, just like Central Europe itself, something that everyone knows what it is but no one can really define.

[Farkas] On the first day of the meeting, you announced that you invited your fellow presidents to a similar discussion in Hungary next year. Have a concrete place and time of the new meeting been already set?

[Gonc] There is still no answer regarding the place; as for the time, I can only say that it will be held sometime between the end of May and the end of June. I hope that we will also be able to have a similar exchange of views there, just like in Litomysl now, a place where we sought understanding, not agreements, while we were talking about a lot of things. This was the essence of this whole meeting: Our subjects of discussions should not be limited, no protocol should be prepared about them, but we should clarify for ourselves and for each other what would be good for all of us and what we presidents can do to promote all this.

Foreign Minister on Balkans, NATO, EU

LD1604213794 Budapest Kossuth Radio Network in Hungarian 1600 GMT 16 Apr 94

[Excerpts] [Announcer] Hungarian Foreign Minister Geza Jeszenszky has dealt with southern Slav developments, among other things, during his visit to County Baranya. Csaba Belenesty reports:

[Belenesty] On the occasion of his 15 April visit to Budapest, Foreign Minister Klaus Kinkel confirmed that Germany considered it very important for Hungary to become a member of the European Union [EU] and NATO as soon as possible, said Geza Jeszenszky. He added, however, that because of Russian concerns, his German counterpart was more cautious in the matter of accession to NATO. In the view of the Hungarian foreign minister, these concerns are unfounded because NATO is of a defensive nature; it is not directed against anyone. What is more, if it expands to more remote eastern areas, the borders of freedom and well-being in Europe will extend further, and this could have a very beneficial effect on Russia's security and economic revival.

In his address Geza Jeszenszky paid particular attention to the Balkan crisis. He said that Hungary could be proud of the fact that, among the Yugoslav successor states, it has very good relations with Slovenia and the friendly Hungarian-Croatian relationship, which has its roots in the historical past, has been restored.

He stressed that Hungarian foreign policy had not taken hostile steps against Serbia; on the contrary, it had chosen the best possible path. This is recognized by Belgrade too, since January; as a result, the hatchet has been buried. [passage omitted]

One of the basic conditions of a just resolution of the Yugoslav crisis, Geza Jeszenszky emphasized, is that Croatian Baranja [under Serb control] should be freed from the rule of foreign armed men who settled there and that those who had been driven away should be able to

return there. Referring to this, Geza Jeszenszky mentioned not only the Croatians and the Hungarians, but also those Serbs who, before the war, had constituted 23 percent of the population.

Party Officials Cited on Tasks, Elections

NDSZ Cochairman Zoltan Biro

AU1504125894 Budapest NEPSZABADSAG in Hungarian 12 Apr 94 p 7

[Interview with National Democratic Federation Cochairman Zoltan Biro by Lajos Pogonyi; place and date not given: "One Should Also Pay Attention to the Pope!"]

[Text] Will the party reach the 5 percent necessary to make it into parliament? Can the third way, romantic anticapitalism, be sympathetic at the turn of the century? Why does it seem that the National Democratic Federation [NDSZ] is a "two-person" party? These were some of the questions we asked NDSZ Cochairman Zoltan Biro.

[Pogonyi] The NDSZ policy is often criticized for having many elements of romantic anticapitalism. The question arises: Is such a policy plausible and sympathetic at the turn of the century?

[Biro] Honesty is only rarely rewarding in politics.

[Pogonyi] In your view, what is honesty in politics?

[Biro] If one tries to coordinate the principle and the practice and if one tries to remain consistent. I do not like the expression "third way" because it can be misunderstood and misinterpreted. It is true that history made this impossible in 1947-1948. However, time did not justify those who made this impossible; instead, what they called socialism has collapsed. I have the same opinion about capitalism.

[Pogonyi] It seems, however, that capitalism has not collapsed....

[Biro] It really functions in welfare societies. If, however, the slightest danger emerges in connection with welfare, panic can immediately be felt and confidence in democracy begins to crumble. It itself, capitalism has not yet cured anything. It is increasingly irresponsible to speak about socialism and capitalism in the world. The world has failed to justify either of them. A lot of things prove the crisis of capitalism.

[Pogonyi] Do you think of being accused of social demagoguery? When unemployment is high, it is rewarding to criticize capitalism.

[Biro] It was also rewarding to criticize socialism. We had a lot of experience in this respect during the change in the regime. Today, it is not so useful to criticize capitalism, because there are many people who believe in it blindly. However, they should listen to Pope John Paul

II, who does not have many good words about capitalism either. You should also listen to the pope! It is a big experiment to create democracy under deteriorating economic conditions.

[Pogonyi] Is there still time for experiments? You are the ones who often mention the fact that this country has had enough of experiments.

[Biro] One should not engage in experiments, but we are not the ones who dictate this. We only said that we needed a change in the regime and that a democratic system was more humane than a non-democratic one.

[Pogonyi] Others have also said that.

[Biro] Yes, but we also mean this.

[Pogonyi] As for people having enough of all this, you used to say that what is going on in Parliament is mostly a circus. Nevertheless, the NDSZ also wants to make into Parliament.

[Biro] We do not have a bad opinion about parliament in general. Parliament is essential in democracy.

[Pogonyi] Is it a necessary evil?

[Biro] I would not say that either. The level of maturity is the point here, the maturity of democratic institutions, of the parliament, and of the parties. This parliament is still immature. Our main problem is how to create more mature institutions as soon as possible in a transitional period. This needs patience. Things should not be hastened, but they can affect history. The NDSZ was created in order to make into Parliament.

[Pogonyi] Will the party have the necessary 5 percent?

[Biro] I hope so. Gathering the nomination slips is a problem for a lot of parties. This is bankruptcy.

[Pogonyi] You travel around the country a lot. What do you see? Which parties have a good chance? Many people think that the Hungarian Socialist Party (MSZP) might become overconfident and this could be fatal for the party.

[Biro] People in many places think that the MSZP might be such a big winner that it will be alone in Parliament and will be forced to form a government alone. I regard such a development as an unfortunate one. The problem is that, if the MSZP proves to be unable to carry out rapid and efficient changes, anti-communist feelings will emerge again. This would be painful for the MSZP and also for the activity of the entire Parliament.

[Pogonyi] In the view of the NDSZ, what government would be an ideal one?

[Biro] This is a personal opinion, and not the opinion of the my party: A center-right-center-left-center government would be desirable.

[Pogonyi] Is this not a little too much?

[Biro] No. The transitional period requires this.

[Pogonyi] Too many parties would suppress each other.

[Biro] Not necessarily. There are many examples all over the world of right-wing and left-wing parties governing together.

[Pogonyi] Has the NDSZ prepared itself for a government role?

[Biro] It is easy to give an arrogant answer to this and say yes. Preparation depends on the type of people a party can gather around itself.

[Pogonyi] It seems that your experts do not appear in public too often. Why?

[Biro] We have many good experts. The question is whether the party is led by good politicians.

[Pogonyi] It seems that the NDSZ is a two-or three-person party. You and Imre Pozsgay, or the other way round, and Kata Beke. Did you develop the party this way deliberately?

[Biro] No, this was not something deliberate. There are people who also say that Pozsgay is flirting with the center-right and I am flirting with the center-left. Of course, this is not so. Becoming a politician is a natural process. Think of whom the public knew among the Christian Democrats or the Federation of Young Democrats at the beginning of the change in the regime.

Republic Party Chairman Janos Palotas

AU1804115594 Budapest NEPSZABADSAG in
Hungarian 14 Apr 94 p 6

[Interview with Republic Party Chairman Janos Palotas by Attila Zsoldos; place and date not given: "Extremists Do Not Stand a Chance"]

[Text] The Republic Party set out the goal to have a candidate in every electoral district. However, only 84 candidates succeeded in gathering the nomination slips necessary to run in the elections. We asked Republic Party Chairman Janos Palotas about his party's election chances.

[Palotai] Making it into parliament basically depends on the number of lists, namely the number of places in which voters can vote for a party. From this point of view, the Republic Party has achieved good results, because it set up 17 district lists. It can be voted in in 164 districts out of 176 districts, or more than 90 percent of the country.

[Zsoldos] In other words, the party is hopeful.

[Palotas] Absolutely. We have the chance now to exceed the 5 percent threshold. Looking at it from this viewpoint, our achievement is not worse than what we expected. However, it is worse from the viewpoint that the party fared slightly worse than expected in individual

districts. However, I am not pessimistic. I think that, as a party formed one year before the elections, we tried the impossible when we set out the goal to have candidates in every district. We presented candidates everywhere, and more than 50 percent of these candidates survived. Originally, we counted on the success of about 80 percent of them. Given the fact that we started from zero and we are the only party among our competitors that does not get budget support, these results cannot be regarded as a failure.

[Zsoldos] In the parliamentary debate on the electoral law, you supported the proposal to increase the threshold to 5 percent. Have you changed your position?

[Palotas] My opinion has not changed. Those who submitted the proposal and the leading speakers of various parties justified this increase by claiming that this would avoid the exaggerated proliferation of parliamentary parties and, subsequently, a decreased efficiency of parliamentary activity. In my address, I called this a crude mistake. I nevertheless supported the proposal because I thought it would increase the chances of keeping the lists of extremist forces out of parliament. In my opinion, for example, the Workers Party, or Torgyan's Smallholders Party, or the Hungarian Justice and Life Party [MIEP] have no chance at all of winning in individual districts.

[Zsoldos] However, the Workers Party and Torgyan's smallholders have more than 150 candidates, and have been able to present lists everywhere. Nor can the MIEP be written off easily with its 10 district lists. Does all this upset your plans?

[Palotas] I was very glad to see all the three parties running after the candidate nomination. In my opinion, the extremists are supported by only 6-7 percent of the voters. The aforementioned three parties represent an approximately identical power. Given the fact that they share this narrow support, there are good chances that none of these parties will reach the 5-percent threshold. They do not stand a chance in individual districts either, because their candidates should get the majority votes to win, and there is not a single electoral district in Hungary with a majority for extremist parties.

[Zsoldos] For an outsider, it seemed that the Republic Party was left out of the alliance of liberal parties because of pressure exercised by the Federation of Young Democrats [Fidesz]. Did you have to carry out a strategy modification because of this?

[Palotas] This is only the appearance. However, there is a little truth in this, namely that Fidesz would indeed not have welcomed it if the Republic Party had joined the liberal bloc. Fidesz made this clear to the Alliance of Free Democrats [SZDSZ] in the course of negotiations held behind closed doors. As far as I know, the SZDSZ did not share the Fidesz position; the SZDSZ has good enough relations with us to say that no liberal bloc would emerge if this was the condition. Therefore, there would have been no obstacle for our party to join the liberal bloc. But we did not even consider the possibility.

[Zsoldos] Why not?

[Palotas] One of the basic principles of our program is that the Republic Party cannot commit itself to any ideology before the elections.

[Zsoldos] In other words, you did not want to join the bloc.

[Palotas] Not at all. When it leaked out from the secret negotiations that a tension emerged in connection with the Republic Party, I let the SZDSZ know that they should sign the agreement because we did not even consider the possibility of joining the bloc. If we had joined, two-thirds of our members would have immediately left the party. One of the essential elements of our organization was that people with leftist, Christian, and liberal commitment can freely join our party if they limit their ideology to private affairs.

[Zsoldos] Where would you place the Republic Party on the current Hungarian political scene?

[Palotas] Just like the American Democratic, conservative, and Republican Parties, the Hungarian Republic Party cannot be placed on the main line of this scene. If you asked the politicians of the aforementioned party whether they are liberals or social democrats, they would not understand the question.

[Zsoldos] This is most probably true, but the current Hungarian political scene is divided into conservative-Christian, liberal, and social democratic trends. One cannot disregard this fact.

[Palotas] That is true, but someone has to undo this, and our role and possibilities in this are not bad at all today. The global tendency today is that ideological issues are constantly forced back into the private sphere. However, ideological blocs have emerged in Hungary. However, this does not matter, because none of the parties will be able to form a government alone. The next government coalition can only emerge through forced compromises, and this gives a big opportunity to make sure that ideology stays at the level of party politics and does not become part of the government program. This is a great opportunity for the Republic Party.

MDF Chairman Sandor Lezsak

AU1804122194 Budapest UJ MAGYARORSZAG in Hungarian 15 Apr 94 p 12

[Interview with Sandor Lezsak, executive chairman of the Hungarian Democratic Forum, by Janos Papp in Budapest; date not given: "Sandor Lezsak on the MDF, Politics, Press"]

[Excerpts] [passage omitted] [Papp] What are the chances for the Hungarian Democratic Forum [MDF] in the elections?

[Lezsak] A third of our candidates have a real chance to make it into parliament, and a few candidates might also

get in from the next third. According to my estimates, more than 60 individual MDF candidates will receive the voters' confidence, and they will be strengthened by the candidates successful on the lists. I have confidence in the election success of the MDF because, in the preparation for the campaign, our candidates visited many households and made contact with people; we set up the election offices, and we will slowly catch up with the Hungarian Socialist Party [MSZP] in organization.

[Papp] Some people claim that the MDF started its campaign too modestly. This is a tough and dirty struggle, and other parties carry out their campaign in this way. Why is the MDF so withdrawn?

[Lezsak] The MDF does not agree with a styleless struggle; both our leadership and our members clearly declared this at the very beginning. Our election posters do not irritate anyone, and we thank the citizens for their confidence and calm of four years, because the voters also contributed to Hungary being the most stable country in the region. The opposition parties will also realize sooner or later that all that glitters is not gold, and I mean by this that it is not sure that the foreign campaign experts employed by them are aware of the Hungarian reality. In fact, the final election results will tell which party has the real experts. [passage omitted]

[Papp] According to the political signs, it may happen that no party will form a coalition with the MSZP, if they get into a position to form a government. What happens in that case?

[Lezsak] New parliamentary elections will probably be called, but today no one can even forecast the results of the elections in May; nor can anyone say for sure which party will be the final victor. The MDF has huge resources. Take some 40 percent of the voters: These people are watching domestic political developments with silent passivity. Their votes could be decisive and, therefore, the MDF also hopes to get a lot of votes from this group, because every person of goodwill knows that the MDF has carried out predictable political activity over the past four years, and the party's program is a guarantee that we will continue the policy begun by the late Jozsef Antall.

[Papp] Let us suppose that, contrary to all expectations, the MDF does not have the success that you envisage. Will this lead to personal consequences?

[Lezsak] Our chances of winning are increasing and, no doubt, the MDF will play a determining role in the new Hungarian parliament and Government. However, if things turn out differently, this will not be the end of the world, because a process of internal cleansing would start and, as a result, we would really have the opportunity to get to know the people. It is more than probable that many careerists would turn their backs on us and would try to get close to other parties. This would not be anything special, because this is also part of life. [passage omitted]

Agrarian Federation Chairman Tamas Nagy

AU1904102194 Budapest MAGYAR HIRLAP in
Hungarian 18 Apr 94 p 5

[Interview with Agrarian Federation Chairman Tamas Nagy by Ildiko Csuhaj; place and date not given: "All the Conditions Are There for Success"]

[Text] In the election series starting today, the leaders of parties that have submitted a national list are interviewed on their parties' program points and concepts. We asked Agrarian Federation Chairman Tamas Nagy about his party's image, its relations with the liberal parties, and how this party would treat the crisis of the Hungarian villages and agriculture if it became a force in government.

[Nagy] The past three or four years have been characterized by an unpredictable and often ill-considered amount of economic ideas. Only 18 percent of the world's land can be used for agricultural production, and good results can only be achieved on 9 percent of that. About 72 percent of Hungary's land belongs to this 9 percent. We have trained professionals. It is important to have a five-year agricultural-orientation plan and to make sure that government activity is a service activity. The accelerated compensation process should mean that the lands have been allocated and their transcription into the land registry is carried out. This is one of the major messages of the Agrarian Federation.

[Csuhaj] You have been calling yourself a bourgeois agrarian party lately. What does this mean?

[Nagy] It is important not to mystify the concept of burgher. We do not say that if one wants to be a burgher, one should leave his village and his profession; instead, we say that the village should participate in everyday life at a higher level. The middle-peasant class was already building bathrooms in their houses before the war, although there was not yet water in them; they were preparing, however, a more comfortable life for the next generation. In Germany, the word "peasant" means builder. In Hungary, this word has a different meaning, and we should break with this meaning! The first step is to have a political interest representation. In 1947, the Smallholders' Party received a historic opportunity, and this opportunity is here again today. Therefore, the Agrarian Federation does not want to represent a village elite. Our goal is to build a party between 1994-1998, a party that represents this concept, because a greater percentage of Hungarian citizens are connected to this concept.

[Csuhaj] Your party succeeded in presenting 20 territorial lists and 134 candidates. Have your support and position in the liberal bloc changed as a result?

[Nagy] The Agrarian Federation has increased in value. According to the opinion polls, 40 percent of our supporters voted for the Hungarian Democratic Forum [MDF] in 1990, and almost 17 percent voted for the

Smallholders' Party. We have a good chance of making it into Parliament. We are working now on making sure that the program of the liberal parties becomes known to the public during the campaign.

[Csuhaj] In addition to the well-known liberal parties, can you also think of other parties as potential partners? Such signals have emerged, partly about the Hungarian Socialist Party [MSZP], and partly about the MDF.

[Nagy] The MSZP alone can muster considerable power, but the liberal bloc together is stronger than the MSZP, and is stronger than the MDF and the Christian Democratic People's Party [KDNP] together. Until the second round of the elections, the question is not who will ally with whom if we separate. We are still far from coalition talks. Four parties have agreed to work together to succeed in the elections.

[Csuhaj] Your party also calls itself a pragmatic program party and an ideology-free party within the liberal bloc, although the village people whom it mainly represents are mostly conservative.

[Nagy] It is quite easy to understand the image of the Agrarian Federation. We think that our effort for a change in the economic system is the main guideline of our program. We stress that the Agrarian Federation is a fresh force in politics; it was created by experts engaged in politics. There are five [number as published] issues to which we pay particular attention: villages, backward areas, agriculture, tourism, environmental protection, and intellectual resources. These are five breakthrough points that give our party a clear image. Ours is a party that does not argue and does not make a clamor; instead, it is engaged in real things.

Military Official Views Security Policy

AU1904104694 Budapest MAGYAR NEMZET in Hungarian 16 Apr 94 p 14

[Interview with Colonel Robert Pick, adjutant, state secretary, and head of the president's military office, by Zoltan Verecke; place and date not given: "No One Threatens Hungary Militarily—Robert Pick on the Yugoslav Crisis, Arms Race, Professional Army"]

[Text] Bombing raids rarely advance peace processes, because every action brings a reaction. However, these raids are useful for changing the balance of power and, indirectly, promoting agreements—Colonel Robert Pick, adjutant, state secretary, and head of the president's military office, told us. Robert Pick spoke about the Yugoslav crisis and Hungary's security policy, and also said that the arms reduction talks in Vienna are no longer timely.

They Failed to Avoid Conflicts

[Verecke] In your opinion, the aim of the UN intervention was to shift the balance in favor of the Bosnians.

[Pick] No, the actions carried out by the NATO aircraft were hardly big enough to have any serious effect on the balance of forces in Bosnia. However, the possibility is theoretically open; it is true, however, that there are many unforeseeable difficulties hindering a larger action of this kind.

[Verecke] Many people claim that a timely and more firm position on the part of the West could have prevented the escalation of this crisis.

[Pick] I am convinced that the conflict would not have developed thus far if the United Nations had taken the necessary steps at the appropriate time. As is well known, the United Nations also has the task of avoiding conflicts, keeping peace, and creating peace. However, they failed to prevent the conflict in Bosnia-Herzegovina, and I find this to be a basic mistake and, although there is no peace, there are peace-keeping forces present. What is needed in the region is the establishment of peace, but this requires more troops. In my opinion, the establishment of peace with the help of armed forces is theoretically unclear as well: It is difficult to speak of the establishment of peace in a place where the United Nations appears as a third party in the conflict. It is unclear on whose side it can do that and with what means.

[Verecke] While both the United Nations and the United States are trying to show determination in continuing the armed intervention, Russia is opposing this for many reasons. Under these circumstances, how determined can the United Nations really be?

[Pick] Precisely to the extent shown by the events of recent years and the UN security decisions. I do not think that a new Security Council resolution can go beyond the current tasks, all the more so because the Russian side would probably veto every such initiative.

[Verecke] The AWACS debate in Hungary repeatedly flared up along with the air raids. It was still possible to explain the role of the AWACS aircraft flying in Hungarian airspace at the time of the downing of the Galebs, because the AWACS were only carrying out their task of supervising the flying ban. However, in the course of their latest actions, the NATO combat aircraft attacked ground targets in Bosnia while the reconnaissance aircraft were flying in Hungarian airspace. In this context, how can we evaluate Prime Minister Peter Boross' request that the AWACS aircraft leave Hungary's airspace during combat actions?

[Pick] I would remind the readers that earlier, at the first instance involving AWACS aircraft, Jozsef Antall wrote a letter to NATO in which he asked the following: If a change takes place in the activity of the AWACS aircraft, a change that exceeds the framework allowed by the Hungarian Parliament, NATO officials should take into consideration the fact that the Hungarian Parliament has to discuss this issue again. I think that the latest event is only the continuation of previous events.

Avoiding Air Raids in Peace Time

[Vereckei] Obviously, Hungary's security policy situation is affected not only by the Yugoslav crisis, but also by every change taking place in our region. The recent elections in Ukraine ended with the victory of the pro-Russian leftist forces, and the voices of Russian extremists dreaming of an empire are becoming increasingly loud in Russia. Could all this represent any threat to Hungary in the foreseeable future?

[Pick] I am convinced that, at the moment, Hungary does not face any military danger. Yeltsin and the Russian Government have repeatedly pointed out that Russia has no aggressive intentions toward other countries. Therefore, the extremists do not represent official policy; besides, such political groups can also be found in other countries. At the same time, one can clearly see that Russia wants to continue to be a big power factor, and it reacts sensitively to any attempt to belittle this role.

[Vereckei] Contrary to the Vienna armed forces reduction agreement, Russia does not want to disarm its troops withdrawn from Europe; instead, Russia would send them to the Caucasus. Would this mean the end of the Vienna quotas?

[Pick] An agreement lasts as long as the balance of forces remains as it was at the time of the signature. This balance of forces has changed considerably since then: The Soviet Union has disintegrated and the CSFR has separated into two countries. If it wishes, Russia can exceed the agreements and no one can stop it.

[Vereckei] It seems increasingly certain that, in exchange for the outstanding Russian debt, Hungary will receive the S-300 missiles. Although these missiles are clearly defensive weapons, even the MiG-29 aircraft caused concern in our region. Can you envisage an arms race in this region started by Hungary?

[Pick] If someone wants to arm himself, he will always find a proper excuse. Naturally, a race needs several players. However, no one should forget that Hungary was the only country to suffer an air-raid in peacetime. It is the task of the MiG-29 aircraft and the S-300 missiles to avoid the repetition of such an event.

Military Service Could Be Reduced

[Vereckei] Parliamentary elections will be held in Hungary in a few weeks. In your opinion, could the basic

elements of Hungary's security policy and its Army organization change considerably in the case of a change in government?

[Pick] I do not think that any essential change could take place. The political parties represented in parliament have repeatedly expressed a unity of views on major security policy issues. As for the Army structure, this is a scientific issue. The army has so far been organized within certain perimeters and such conditions that determine the army's organization will continue to exist in the future.

[Vereckei] One of the key issues in the debate on the Army was whether the parties want a professional army or one based on compulsory conscription. What is your position on this?

[Pick] The Hungarian Army cannot be reorganized into a professional army in the near future. Theoretically, a professional army always serves interventionist goals, but defense is a matter for the entire nation. From a military viewpoint, it is absolutely clear that a professional army cannot train the number of reserves needed to fulfill the requirements of adequate defense, enable the restoration of the original situation, and make the aggressor give up the desire for further attacks. At the same time, because of the shortened period of service and the complex military equipment, the number of professional soldiers needs to be increased. I would particularly mention the officers corps here, where the shortening of military service led to serious consequences. Disciplinary and court proceedings prove what it means when there is not enough time to train officers: They do not learn how to treat people. However, I can envisage a further decrease in the military service time, but this should be accompanied by a modernization of the training and mobilization system.

[Vereckei] Looking at the past four years, what was it like to work with the Defense Ministry and the army?

[Pick] Essentially, we can almost call these relations cloudless.

[Vereckei] Did you also see the taxi drivers' blockade in these terms? At that time, the possibility of using the Army also arose.

[Pick] No, the taxi drivers' blockade was a political issue and, therefore, it could not cause a conflict between the ministry and the president's military office.

[Vereckei] Other problems?

[Pick] Occasional professional differences of view, but these differences are natural within a good working relationship.

Foreign Ministry Spokesman on EU Membership*PM1804111094 Krakow GAZETA KRAKOWSKA in Polish 9-10 Apr 94 p 2*

[Interview with Grzegorz Dziemidowicz, Ministry of Foreign Affairs press spokesman, by Katarzyna Janowska; place and date not given]

[Text] [Janowska] Klaus Kinkel, former German foreign minister [as published], said recently that the admission of Poland and Hungary into the European Twelve would be a serious mistake because of the economic backwardness of both countries. He is not isolated in his opinion as far as Western diplomats are concerned. So what chances do we have?

[Dziemidowicz] Poland's admission into the European Union [EU] will not take place tomorrow or even the day after. Our full integration is a question of at least 10 years. First the Union must "digest" our offer, as it were. This could take two or three years. Only then would the real negotiation begin, in respect of the terms of our accession and its precise date. It could be that the option they adopt will be that of granting Poland membership of the Union's political structures first and economic structures later. However, all that will be the subject of the eventual negotiation process.

[Janowska] Precisely. Western politicians claim that Poland will find it easier to join the Western European Union, which is the political suprastructure for the Communities rather than their economic structures.

[Dziemidowicz] It is hard to tell now whether that is really what will happen.

[Janowska] Politicians of the European Twelve stress very strongly Poland's economic backwardness in relation to the Union's member states.

[Dziemidowicz] I believe that backwardness is too strong a term here.

[Janowska] But it is true that such disproportion exists.

[Dziemidowicz] Indeed, in respect of such countries as France, Germany, and Britain. On the other hand, we can compare Poland with Greece or Portugal at the time when those two were applying for membership in the EEC. The disproportion between the condition of their economies then and that of our economy now is not as drastic as that. During their years in the EEC, those countries made enormous progress. I believe that in our case, too, these economic disparities will disappear very quickly. In the end, it will be the political will of the European Twelve that will decide our membership.

[Janowska] But can we really compare ourselves with Greece or Portugal at a time when our national per capita income in Poland does not exceed \$2,000 a year?

[Dziemidowicz] We are not only looking at present-day comparisons here. During the past few years, very rapid economic progress, especially involving privatization,

occurred in Poland. Changes are now taking place much more quickly than any of the past prognoses could have predicted.

[Janowska] In an interview he gave to RZECZPOSPOLITA, Czech Prime Minister Vaclav Klaus criticized the proposal for Poland and Hungary to join the Union. He stated that the Czech Republic would not be submitting its application to join the Union but that it would nevertheless find itself among the European Twelve earlier than we. What is the Polish Foreign Ministry's reaction to this?

[Dziemidowicz] I would not say that Prime Minister Klaus criticized us. The Czech Republic is simply choosing a different way. Apart from that, Poland and Hungary are already associated with the EU, while the Czech Republic still is not. This situation changes the perspective slightly. Each country chooses its own preferred and most convenient way to the Union. It is neither the Olympic Games nor a race. The objective of all four countries in the Visegrad Group is to join the EU eventually, and we should wish each other the speediest fulfillment of that objective.

Pawlak 'Satisfied With Kohl's Support'*AU1804180194 Berlin DIE WELT in German 16-17 Apr 94 p 2*

[Article by Bernt Conrad on interview with Prime Minister Waldemar Pawlak in Bonn; date of interview not given: "Pawlak Satisfied With Kohl's Support"]

[Text] Polish Prime Minister Waldemar Pawlak wants to "solve for good" the problem of smooth border traffic between Germany and Poland within two to three years. He said so in an interview with DIE WELT after concluding talks in Bonn.

Pawlak stated that the currently hopelessly crowded border checkpoints at the Oder and Neisse Rivers should be addressed and the transport infrastructure decidedly improved. This includes the construction of five new bridges, the establishment of four new border checkpoints, and an extension of the Berlin-Warsaw-Minsk-Moscow highway, the Wroclaw-Katowice-Krakow highway, and the already initiated modernization of the Berlin-Warsaw railway line. These projects will soon be discussed by a German-Polish working group initiated by Kohl and Pawlak.

The 34-year-old government head, who promoted investment in Poland during his visit to the Daimler-Benz company in Stuttgart yesterday, also intends to tackle the mounting, sensitive problem of car thefts in the FRG by Polish thieves. "Rapid exchange of information is of utmost importance for the police in this connection," he said in the interview with DIE WELT. The better-equipped criminals are taking advantage of the still very poor technology used by the Polish police. This should change in the coming years. Yet, Pawlak added: "I am cautious as far as promises are concerned."

Pawlak did not shirk the question as to whether and how the leftist government of former communists and the Peasant Party, which he leads, intend to pursue market-economy reform: "Our main objectives are democracy and the social market economy—on the basis of social stability and evolution, and without shock therapy. What we need is wide acceptance of reform by the population." With great emphasis, the leader of the Peasant Party pointed to the significant decrease in the rate of inflation and 10-percent production growth in the first quarter of 1994. "These are signs of a stable economic situation."

Pawlak noted with satisfaction Kohl's support for leading Poland toward the European Union and NATO. Regarding Moscow's objection to his country's NATO membership and that of other Central-East European reformist states, the prime minister said: "Russia had said yes before, but NATO did not react quickly enough and Russia changed its mind. I think the chances are not bad if we are all determined." He said that military aggression was not an acute danger but "a danger in the form of chaos. This can lead to most serious consequences. The former Yugoslavia should serve as a warning to all of us." Pawlak's conclusion: "The important thing is cooperation in partnership. This can be a solid basis also for security."

Oleksy on Walesa-Coalition Conflict, Japan

WS1804161594 Warsaw Radio Zet in Polish 0622
GMT 18 Apr 94

[Interview with Sejm Speaker Jozef Oleksy by Krzysztof Skowronski at the Radio Zet studio in Warsaw on the "Guest of Radio Zet" program—live]

[Text] [Skowronski] Radio Zet's guest today is Sejm Speaker Mr. Jozef Oleksy. Good morning to you, Sir.

[Oleksy] Good morning.

[Skowronski] Are you in favor of amendments to the Small Constitution that would limit the president's powers?

[Oleksy] No, I think that right now, there is no situation where one would have to think about this as something very urgent. Work on a new constitution is going on, and I am of the view that the longer it takes to complete work on the new Constitution, the more often we can have situations—in these times, full of tension—where one can be tempted to make corrections to the Small Constitution now in force. The problem is that the Small Constitution's provisions are somewhat unclear on certain points that require interpretation, or that, for democracy's sake, require extensive interpretation. We have had such motions coming from the president regarding the Constitutional Tribunal and the ultimate nature of its powers. That is a very major amendment to the Constitution and also a change in the legal system and in the courts' verdicts and the judicial system. There have also been such cases pertaining to other issues, and,

as we know, today a motion by Sejm deputies was submitted to have Article 68 changed precisely so as to define with greater precision situations in which there are deadlocks such as we are having now. The coalition wants to change something in the Council of Ministers, and the president is of a different view, and there is no further [words indistinct].

[Skowronski] Will Article 68 be changed?

[Oleksy] I beg your pardon?

[Skowronski] Will Article 68 be changed?

[Oleksy] I do not know because it is just a proposal. It will be debated like any other proposal. I do not think there is a chance for that at the next session, but, when it comes to May... [Oleksy pauses] As usual, we think constitutional issues are a priority and the issue will be debated. Constitutional procedures require a big majority—two-thirds—so, knowing the president's position... [Oleksy pauses] One must assume that he will refuse to sign the amendment. We will perhaps be able to take a stand on the president's veto. It is quite a lengthy procedure and it does not happen immediately. The excitement that was created surrounding this issue, which I encountered on my return from Japan, is out of proportion compared to the initiative's essence and nature.

[Skowronski] Where were you when the news broke that the president said that, if parliament attempts to limit his powers, he would try and dissolve it?

[Oleksy] That was a shocking piece of news; we were on our way home from Japan. I must say I began thinking deeply about the president's statement because it is dangerous for the essence of democracy in Poland.

[Skowronski] And instrumental attempts to amend the Constitution are not dangerous to democracy in Poland?

[Oleksy] If that is the way you interpret it...

[Skowronski, interrupting] How else could one interpret it?

[Oleksy] If one interprets it as some kind of revenge by the coalition or its attempt to fight the president or to limit his powers, there is indeed a source of emotion. But this is not how I perceive this. As I said, I perceive it to be an attempt to make constitutional provisions more specific so as to prevent deadlocks and dead-end situations when the coalition and the president may differ on personnel changes. But if one interprets this the way the propaganda currently has been portraying it for two or three days—namely, that it is a field for a coalition-presidential battle—it is really no surprise that there are all these emotions around.

[Skowronski] But, in the end, it really is the field of a battle between the coalition and the president.

[Oleksy] I think not. I think it is just an attempt to overcome the deadlock in a situation of a very tough position vis-a-vis [words indistinct] an important post in the government.

[Skowronski] Why is the coalition not capable of giving up on Dariusz Rosati?

[Oleksy] I am not sure whether it is not capable of doing that. From what I hear, it is a question of talks with the president, and I do not think there is anyone in the coalition who thinks along the lines of forcing the president to change his position. The president has a constitutional right not to sign a proposed nomination. So I do not make the assumption that this is some attempt to force the president to sign a nomination, but it could be an attempt to force him to initiate talks. In that regard, all I can do is make an appeal that these talks take place. Otherwise, all this will begin getting ridiculous in Poland.

[Skowronski] You often meet with Lech Walesa. Why can you not lead up to a coalition-president meeting? Is that so hard? From where does the main resistance come?

[Oleksy] I have not taken this kind of responsibility upon myself, even though I have conducted such talks with the president. Moreover, I cannot see resistance to talks on the part of the president.

[Skowronski] So who resists then?

[Oleksy] There is resistance with regard to just one situation. The president has talked to me about it, too, so he is persistent in that regard—namely, that he refuses to talk about the specific candidacy. The coalition knows that. But, for its part, the coalition wants the talks to be of a wider scope—that is, going beyond just this one issue. As far as I know, the coalition fears that the president wants to discuss just the finance minister nomination and nothing else. But, in my mind, and in all the efforts I have been making since I became Sejm speaker, the point is to have talks as an obvious mechanism of cooperation among the state's supreme agencies. If the talks were to be just about filling one post, not a lot would be accomplished through them. So the point is whether these talks, which I consider absolutely necessary and that they should take place as soon as possible—if these talks are to make sense, they have to be in the form of some permanent practice of talking to each other, face-to-face, without television cameras. I mean talks among the state's supreme agencies and organs. Otherwise, we just have an isolated case and that is it.

[Skowronski] What do people in Japan say about Polish issues?

[Oleksy] There is a lot of interest in Polish issues in Japan. We were even quite amazed to see that is the case. The visit was very tiresome because of the climate and also because of certain rigid ways of thinking that continue to....

[Skowronski, interrupting] When you say climate, do you mean the weather?

[Oleksy] Exactly.

[Skowronski] What was the weather like in Tokyo?

[Oleksy] It was terribly exhausting.

[Skowronski] Was it worse than today's Warsaw weather?

[Oleksy] It was better, from a temperature standpoint. But, as a parliamentary delegation, we were very much determined to make permanent Poland's presence, the knowledge of Poland, and the awareness of a need for good Polish-Japanese relations. This also applies to Japan's presence in Central Europe, including Poland. I mean its presence in terms of capital, investments, and the economy. At all levels, perhaps with the exception of my conversation with the Japanese emperor, both during the talk with outgoing Prime Minister Hosokawa and with the finance minister, the trade and industry minister, with the leadership of a fund for regional and international assistance that has the sum of \$70 billion at its disposal, and also with the leadership of (EximBank), Japan's largest bank fostering foreign cooperation, we raised the issue of unblocking financial and credit relations with Japan, which, to our surprise, are accompanied by very rigid reservations by Japan, some of which are philosophical [words indistinct].

[Skowronski] What is the essence of this Japanese philosophy?

[Oleksy] It goes back to the time of the reduction of our debts in the Paris Club. Japan thinks that, at the time, it was forced by a debtor to give up its claims. Apparently, under Japanese philosophy, once somebody fails to return a loan, he can never again expect to be offered beneficial terms of cooperation. We were told that bluntly. We tried to overcome that because it is a very important issue: Japanese, government-guaranteed credits are an absolute precondition for Japanese companies to enter the Polish market. It seems that their responses varied a great deal. In some cases, the responses were tough, but, in others, there was a lot of readiness to change the state of affairs. Two important meetings will take place in Warsaw in May: There will be a meeting by a Poland-Japan working group for new economic initiatives between the two countries, and a meeting of East-West foreign trade ministers, the so-called ministerial initiative....

[Skowronski, interrupting] So you mean you were partially successful in changing Poland's image....

[Oleksy, interrupting] I think we were definitely successful in creating the right atmosphere and in convincing some interlocutors...[Oleksy pauses] We talked with party chiefs, chiefs of parliamentary factions, the leadership of the House of Representatives—the upper chamber—and also with former Japanese prime ministers and former foreign ministers.

[Skowronski] What was the meeting with the emperor like?

[Oleksy] It was very exotic to me because it was my first conversation with him.

[Skowronski] What kind of protocol was there?

[Oleksy] It was very complicated. We were taught various gestures and moves, but that is a usual thing. Let me remind you that, at the end of Emperor Hirohito's term, the emperor of Japan was regarded as a god. So that has an impact on protocol, but I managed to deal with it. The conversation was very nice. The emperor turned out to love Chopin's music, he has read the novel *Quo Vadis*, he is sponsoring subsequent editions of works by [Polish author] Sienkiewicz in Japan, and he was very interested in a Polish-Japanese cultural center in Krakow, which will open in November under Andrzej Wajda's auspices, with a substantial Japanese contribution. We talked about cultural exchanges, about relations with Russia, relations in Central Europe. The scope of the emperor's interests was wider than I would be willing to admit before my visit there.

[Skowronski] So you met with the emperor, and, recently, you also met with Boris Yeltsin. What happened during the other meeting, I mean the one with Boris Yeltsin? This is also something we have not discussed at the Radio Zet studio yet.

[Oleksy] Well, this was a face-to-face conversation, so it also included issues I cannot publicize. I conveyed the conversation's results and what happened during it to President Walesa.

[Skowronski] So you cannot share it with our listeners?

[Oleksy, hesitating] Not everything. I can say that Boris Yeltsin [hesitating] does not see everything the same way we do, when it comes to Central Europe—and this is not about Partnership for Peace, on which Russian politicians presented their country's position to us in wide-ranging terms. Whereas, we kept saying our thing—in terms of Poland's persistent striving....

[Skowronski, interrupting] And what are the most important differences of views?

[Oleksy] But Boris Yeltsin looks at Poland as a country that [hesitating], while severing its ties to the region in a definite manner, wants to be a member of an arrangement in which Boris Yeltsin does not believe. He called it an arrangement of old structures established for West Europe's security and convenience. There is a difference between us on that. By the way, there were many themes full of disappointment with the West, which also prove that Russia feels alone and surrounded. This is the blunt way it was put. But, as I said, these were incidental themes, kind of in the background of conversation.

[Skowronski] Russia's position of being alone is one fact, and is Boris Yeltsin also alone in the Kremlin, as a politician?

[Oleksy] I must say, I heard a lot before the meeting about the state of his health and about the weak shape he is in. I must say I had in front of me a man of absolutely superb health—of both psychological and physical strength—and also with an enormous determination to remain in power. Stories told by diplomats and politicians about what bad shape Yeltsin is in proved untrue.

[Skowronski] What [hesitating] will happen in the Sejm this week?

[Oleksy] This week, the Sejm's proceedings will be very intensive. The agenda has already been adopted by the Sejm Presidium. That happened before my trip. Two issues will be debated. As I said, I do not think that the Sejm deputies' constitutional initiative will be placed on the agenda, but that has to be decided at Wednesday's [20 April] session of the Sejm leadership. There is the issue of the popiwek, or neopopiwek [wage-control legislation], which was submitted also in the form of a Sejm deputies' initiative, and it does not come from the government. So that defines the initiative's essence from the standpoint of time requirements....

[Skowronski, interrupting] It will take longer?

[Oleksy] Yes, it will, and consequently....

[Skowronski, interrupting] But do we need the popiwek at all?

[Oleksy] There are different [words indistinct] on that. Myself, I do not express my view because I prefer to base what I say on the opinions of professional experts, who deal with calculations and forecasts, rather than on the easy-sounding views of politicians. This is what I want to base it on. But first of all, there is no government initiative; instead, there is one coming from Sejm deputies. This changes the proceedings and intensity of the measures. It is happening on a very immediate basis. There is also a whole range of issues on the agenda. The session will last two days, and I doubt that [words indistinct].

[Skowronski] Will you try to alleviate the conflict between the coalition and the president?

[Oleksy] That depends on the will of both parties. I am ready, and this is the way I see my role in the state, but, if the parties do not want that, I have no intention of imposing myself on them.

[Skowronski] Who will it be harder to convince, Aleksander Kwasniewski or Lech Walesa?

[Oleksy] One does not have to convince Aleksander Kwasniewski to do anything because he is a politician with a big picture of the totality of the political situation....

[Skowronski, interrupting] What about Lech Walesa?

[Oleksy, hesitating] I think he probably also does that, but, in his case, he is more stubborn sometimes than....

[Skowronski] And what about Aleksander Kwasniewski?

[Oleksy] I think he is less stubborn and more flexible.

[Skowronski, laughing] So you are kind of a party to the conflict because you think Aleksander Kwasniewski's stubbornness is smaller?

[Oleksy] It is not smaller. It is just that it is easier to make him flexible, but this is just for the purposes of a radio interview, and, currently, I play no role in the conflict.

[Skowronski] Thank you very much for the conversation.

Radio Zet's guest today has been Sejm Speaker Jozef Oleksy.

Daily on Possibility of Dissolving Sejm

WS1804114294 Warsaw RZECZPOSPOLITA in Polish
18 Apr 94 p 2

[Commentary by Piotr Winczorek, under the "Observations" rubric]

[Text] It is not a very good idea to change the constitutional powers of the president in the area of appointing people to governmental posts. It is not good to propose such a notion as a result of a dispute concerning the filling of the post of finance minister. It is not a good custom to shape the law, especially the Constitution, according to current political needs.

The president's reaction to this idea was quite violent. He announced that an attempt to implement this idea might end up in earlier-than-scheduled parliamentary elections. However, before such elections can take place, the present Sejm and Senate must first be dissolved. In the legal state defined by the Small Constitution, it is possible to discontinue the term of the parliament only in a limited number of cases.

The Sejm may be dissolved by its own resolution reached by the majority of two-thirds of the votes of the deputies. If we look at the present composition of the Sejm and the desire of the Sejm's majority to work until the end of the four-year term of office, it will become clear that it is very unlikely for this condition to be satisfied.

The Sejm may also be dissolved by the president:

—If, within three months from the submission of the budget bill, it is not passed. The 1994 budget law was passed in the allotted time, and it was signed a few days ago by the president. The possibility of taking advantage of this chance to dissolve the Sejm may appear only in more than a year.

—If the Sejm passes a no-confidence vote against the government and, at the same time, does not appoint a new prime minister.

—If, after various possibilities of establishing the government, envisioned by the Small Constitution, are exhausted, the Sejm does not do this with the majority of two-thirds of the votes.

—If the Sejm, after all the possibilities of establishing the government are exhausted, refuses to support a government established by the president for a period of six months. In such a case, it is obligatory for the president to dissolve the Sejm.

It is easy to see that, as long as the present government of the coalition of the Democratic Left Alliance and the Polish Peasant Party exists, the possibilities mentioned in the last three points are out of the question.

Because these are all the possibilities of dissolving the Sejm and the Senate, defined by the Small Constitution, the answer to the question of how earlier-than-scheduled parliamentary elections can legally be held should be given by those who can see such a possibility.

SLD's Miller on President, Coalition

WS1804154594 Warsaw TRYBUNA in Polish
16-17 Apr 94 p 9

[Article by Leszek Miller: "It Must Not Continue That Way"]

[Text] What is really happening to Poland? Where are we heading? What does the future have in store for us? These are difficult questions, and there are no ready-made answers to them.

It is worth recalling the forecasts made by the so-called reformatory camp during the election campaign. After the victory of the left, "a black night of chaos and incompetence" was supposed to ensue. The nation was supposed to "wail," and the shocked West would turn its back on us in revulsion. Poland was supposed to be isolated both politically and economically. Lines of people, rationing, and the proverbial vinegar on shop shelves were to return as symbols of the hardship of life and the condition of the economy. However, politicians and journalists had not made a greater mistake for a very long time.

After the first quarter of this year, inflation was the lowest in seven years—it dropped to 4.5 percent. The 10-percent production growth is the highest in 15 years. Unemployment dropped by 20,000 people. It is obvious that these as well as other indicators are not so high as to be felt everywhere as favorable. They do, however, have something in common: They are all positive.

As a result of the prospect of a stable government and economic growth, Western states are revalorizing their interests in Central Europe. They are beginning to perceive our country as an important factor of political peace and economic reforms. A long-term strategy of investment and trade involvement of the main economic powers is being shaped. The impossibilities that have so

far been observed in the relations with neighbors are being broken. Prominent politicians from East and West are stressing that Poland is heading in the right direction. This is what the evaluation of the first six months of the coalition of the Polish Peasant Party [PSL] and the Democratic Left Alliance [SLD] is based on. It should be stressed, however, that former governments have contributed to it as well.

Therefore, the election victory of the left is even more aggravating. "We could have prevented this" was how Bohdan Cywinski recently expressed his irritation in *RZECZPOSPOLITA*. How? "For example, by limiting the passive franchise of former communists. That it is undemocratic? Nonsense." The author answers his own question, and, at another point, he appeals to remove from memory this "hideous date of 19 September 1993" as soon as possible. This is how much has been left of the words about "respecting the will of the people" and the conviction that this will is the only pass to the political scene.

The fears that the situation might not be as bad as it was supposed to be are obvious to not only the bickering leaders of the right. They can also be found in the evaluations of serious people, surrounded by the halo of independence, not meddling with minor skirmishes. This is no wonder because the problem is extremely important. Even a moderate success of a government including the left must mean the compromising of the myths on which Poles have been fed for years.

It will turn out that a "postcommunist" formation not only does not pose any threat to the favorable future of Poland, but, on the contrary, is a chance for its development, strengthening the mechanisms of parliamentary democracy and the market economy. The center-left government does not only deter the West but it is a considerable and serious partner for Western democracies. In addition, it does not have to be legitimized by any authorities, and it does not need any intermediaries, which may be the most painful thing. It settles for the mandate of its voters.

The reaction of some authority centers is quite significant. I would like to be wrong now, but it is becoming increasingly clear that the activities of Lech Walesa are, unfortunately, destructive. The persistent maintenance of the vacancy in the extremely important post of the economy's head and finance minister, threats for the democratically elected Sejm, embarrassing decisions concerning the National Council of Radio and Television, refusal to competently take part in the work of the Constitutional Committee of the National Assembly, veto of the wage-control law, the already announced refusal to sign the electoral law governing local elections—all this aims at the emerging chances of political stabilization and economic growth.

In this light, the strategic goal of the president seems to be obvious: to prevent the four-year governing of the PSL-SLD coalition, to prove that the results of the 19

September elections was a mistake, to strengthen his own power, and to weaken his opponents and potential countercandidates.

Is Lech Walesa all alone in his strivings? Certainly not in all of them. In the 18 March issue of *TYGODNIK "SOLIDARNOSC"*, Andrzej Gelberg wrote, quoting Marian Krzaklewski, "Solidarity will not resign itself to the fact that power has been taken over by the communists and will fight against this configuration with all its might." Even though the author adds that it will do this by peaceful means, he writes later on with disarming frankness that the aim is to "change the present parliamentary configuration"; he does not explain by what peaceful means it is going to achieve this. It is an important sign, especially now that strikes and protests have been announced that "defend the employees' interests."

Thus, the aim of the president's actions, regardless of whether they are agreed on or not, is clear. Is it possible to achieve this goal? No, it is not, if the rules of a democratic state are to be applied. Yes, it is, if the government of the center left is gradually discredited and if the social peace is disturbed. The price of such destruction would be enormous; however, it looks like it is neither appalling nor shameful.

Against this backdrop, disquieting are the mistakes—sometimes seemingly minor—committed by the SLD. The left displays a lack of ability to think in advance. It cannot see obvious traps and poorly estimates its own limited or badly utilized capabilities.

The circumstances of the recall of Marek Borowski are particularly instructive and painful here. We would not have to look for a new finance minister now if all of the consequences of this decision had been considered. It is also not good when the main platform of the disputes that the SLD gets involved in are cadre issues. Why speak about meetings that are not held because one does not have any influence on their organization? Why announce the names of deputy prime ministers who have not been nominated? What sense does it make to make retorts to the Belweder if there are serious doubts about the possibilities of making them?

I am writing these words with sorrow; however, I am beginning to fear that there may arise the impression of defensiveness and decreasing efficiency. The SLD could have been wrong when it did not bear responsibility for the state. Today the risk and the cost of even an accidental mistake are enormous, and the limit of mistakes has already been reached.

The subject that should be thought over are relations within the coalition. One can sometimes get the impression that the electorates of the PSL and the SLD are closer to one another than its leaders are. That is better than the other way around because, in this way, a strong foundation for lasting cooperation between the two groupings, independent of any temporary tendencies, is

being created. The PSL-SLD coalition is not the exclusive property of politicians who can do anything they want with it. It is an indirect expression of the will of millions of voters, the property of the people who have elected such a parliament. One has to bear this in mind if one wants to respect the electorate and the social groups that sympathize with the coalition.

Nevertheless, relations in the highest places between the PSL and the SLD are far from expectations. It started with the submission of a composition of the government that was different from the one that had been agreed on. Then came the statement that the SLD would really prefer an alliance with the Democratic Union, and then it really started....

Some of the misunderstandings definitely result from the lack of understanding of the partner's uniqueness, sometimes from the lack of sufficiently acceptable information channels, sometimes from the manipulation of the media unfavorably disposed toward the coalition. At any rate, a breakthrough is needed—something like a declaration of goals and intentions that would begin with the words "the two parties hereby decide to speak about each other favorably."

Tensions within the coalition exert a destabilizing influence on the entire political configuration and fuel the activeness of the centers that aim to weaken or break it. If this really happened, we would all lose the possibility of winning the four-year period of Poland's stabilization, Poland would lose its credibility, and internal and external conditions of its socioeconomic development would be more acute. If the coalition fell apart, no new effective parliamentary majority would be formed. The instability of a minority government would lead to early parliamentary elections, which would weaken both the SLD and the PSL.

Therefore, a minimum of programmatic order should be defined and observed; it might come down to the following goals:

1. Adopting and implementing a three-year socioeconomic program for the country's development.
2. Ensuring a full four-year term of parliament and the coalition government.
3. Approving the constitution before the presidential election.
4. Reaching a coalition agreement in the presidential election.
5. Holding the elections for local self-governments in the period defined by the Constitution.

Aside from strategic points, the coalition's program of cooperation should also include practical and short-term goals concerning the aspirations and expectations of millions of Poles—that is, rapid implementing the program of the National Investment Funds; amending the Labor Code; adopting laws that constitute the Pact on Enterprise; implementing a mass housing construction program; improving the citizens' security; implementing large-scale economic projects, such as the construction of highways, and so on.

Even though it is acting in complex circumstances, the coalition is not defenseless. It has at its disposal the capital of many election votes and sustained social support.

The concord between the PSL and the SLD may curb the destructive activities of the coalition's opponents; lack of crevices and cracks makes it impossible to broaden them. The understandable dissatisfaction of many Polish families with their living standards does not have to be the fuel for "Solidarity." As social research proves, people do not believe that the activities of this union are a hope for an improvement of everyday life. We can also see the reorientation of the West, for which a stable Poland and a lasting, predictable government create the conditions for serious investments and for economic recovery in this part of Europe.

On whom, then, does the further development of the situation depend? It depends on ourselves.

Local Government Elections Scheduled for 19 Jun

LD1804162794 Warsaw PAP in Polish 1415 GMT
18 Apr 94

[Text] Warsaw, 18 Apr—On 18 April, the prime minister announced that the elections to parish councils would be held on 19 June. The elections are to be held according to the old electoral law passed in 1990, Ewa Wachowicz, Prime Minister Waldemar Pawlak's press secretary, told PAP.

The prime minister has ordered that the elections be held without waiting for the president to make his decision—a few days ago the president announced that he would veto the new electoral law (passed by the Sejm on 18 March)—and without waiting for the Sejm, which can reject the president's veto by a majority of two-thirds of the votes. The president has until 21 April to make his decision.

The most important difference between the two laws is the threshold where proportional representation applies. According to the old law, the threshold is 40,000 citizens, and, according to the new one, the threshold stands at 15,000 citizens.

Ex-King Reportedly Wants To Return as Monarch

AU1804163494 Bucharest *EVENIMENTUL ZILEI* in Romanian 13 Apr 94 p 4

[Article by Alexandru Schendrea and Iulian Chifu: "King Mihai I Reiterates His Intention To Return to His Homeland, but Only in his Capacity as Monarch"]

[Text] In an interview for the Russian daily *IZVESTIYA* on 9 April, King Mihai I affirms that the Romanian Government is afraid of his justified demands to the country's throne, and said that, in 1947, the Communists resorted to threats and forced him to abdicate. "I believe that the current Bucharest regime does not feel confident" said the king, and invoked as arguments in support of this statement the numerous lies that were invented about him. Among other things, King Mihai mentioned that on Christmas Eve, the Romanian Television Station scheduled a documentary on the prime minister's Press Bureau in which he, the king, is accused of having betrayed the country, accusations that according to His Majesty are simple fabrications. The king reasserted his intention to return to his homeland only in his capacity as king and showed willingness "to serve the country faithfully and to help it regain the place it used to hold in Europe before the Communists came to power."

In accordance with the declarations of His Majesty King Mihai, Princess Margaret will become his successor to the throne.

Mihai Denies *IZVESTIYA* Interview

AU1904085794 Bucharest *EVENIMENTUL ZILEI* in Romanian 14 Apr 94 p 8

[Communique issued by ex-King Mihai's Press Bureau in Versoix on 13 April 1994: "King Mihai Has Never Granted an Interview to *IZVESTIYA*"]

[Text] The Press Bureau of His Majesty King Mihai is empowered to issue the following communique:

In accordance with the news published by *EVENIMENTUL ZILEI* on 13 April, we note that His Majesty King Mihai has never held a dialogue with any representative of the Russian daily *IZVESTIYA* on the issue of the current fate of Romania, the future of the royal family, or on any other issue.

Note of the editorial office:

Indeed, King Mihai I has not granted an interview to *IZVESTIYA*. It was a reproduction of an interview granted by His Majesty to the Swiss daily "24 HOURS."

The way in which *IZVESTIYA* presented this interview has caused some confusion.

Opposition's Salvation 'Manifesto' Published

AU1804120194 Bucharest *ROMANIA LIBERA* in Romanian 11 Apr 94 p 3

[Document published on 9 April 1994 by the Democratic Convention of Romania: "Manifesto for the Salvation of Romania"]

[Text] Romania can still be rescued from the crisis into which it has been pushed by an incapable and corrupt government.

We have discovered that the principal enemy of the country is the current political power itself. We consider ourselves entitled to fight, using all legal and democratic means, to salvage our nation.

To that end the Democratic Convention of Romania proposes a number of simple and efficient measures:

1. A severe and righteous justice should put an end to plundering and corruption and punish all those who have become rich in unlawful ways.

2. Local authorities should be granted the resources and legal framework needed to administer our everyday life successfully. At least 18 percent of the taxes we pay should be allocated directly to local administration bodies so they can use the money in the interest and under the control of the citizens.

3. The villagers' farms should be strengthened by granting them inexpensive loans to buy seeds, fertilizers, and agricultural machines. By such measures the well-being of both the farmers and the country is ensured. Agricultural taxes should be immediately discontinued, while the handing out of land ownership certificates should be ended within six months, the land property bill should be improved, and abuse and injustice eliminated.

4. Jobs should be ensured by making investments and by privatization. Taxes should be reduced to stimulate private business. There is an absolute need for political credibility and a simple and flexible legal framework to encourage investments.

5. The youth of this country should find their place in society, which should ensure them living quarters and access to jobs. The current parliament session should urgently pass the education bill in accordance with the recommendations of the Council of Europe and ensure funds at least three times larger than the current funds for that domain, so that we can reach the level attained in neighboring countries.

6. Real protection of the unemployed and the socially disadvantaged should be ensured.

7. Budget resources should be ensured for health and culture so as to salvage the biological and spiritual being of our nation.

8. The defense of the country should be strengthened by ensuring the dignity, training, and equipment of the

armed forces, integrating them within Euro-Atlantic structures and halting the drift toward other spheres of influence.

All the aforementioned measures are at hand; by implementing them Romania could be salvaged from poverty and despair. Romania must be saved NOW! [capitalization as published]

Constantinescu Views Role of Opposition

AU1904094994 Bucharest ADEVARUL in Romanian
15 Apr 94 p 2

[Interview with Emil Constantinescu, president of the Democratic Convention of Romania, by Constantin Lupu; place and date not given: "We Are Not Opposition for the Sake of Opposition"]

[Text] [Lupu] A document by the Romanian Foundation for Democracy [FRD] and the Democratic Convention of Romania [CDR] entitled "Romania 1989-1994" was released a few days ago. What is the purpose of this document?

[Constantinescu] The document is the result of a long study carried out by the Foundation's experts exclusively on the basis of official data supplied by the National Statistics Commission. By referring to that data, the document drew up suggestive charts on the main components of our economic and social life, such as unemployment, inflation, production, and trade (both domestic and foreign). Along with the public presentation of this image, we are also presenting the CDR's solutions for taking Romania out of the crisis and promoting the country's recovery.

[Lupu] Why now?

[Constantinescu] After enduring the last stage of the communist dictatorship and after this transition period, which, in our opinion, should now draw to an end, we would like to see these documents—on what has happened and what should happen—become the subject of a dialogue between responsible political forces, a dialogue which should be adequately covered by the press. At this point, I would like to digress a little from your question and tell you at the very beginning that I am particularly interested in striking up a relationship with the readers of ADEVARUL daily. I am not saying this to incur their liking, which is a common political trick. I say it as a steady reader of your newspaper, which addresses not an important category of the electorate, but an important category of citizens of the country. I have no doubts that a large proportion of ADEVARUL readers did not and do not share the ideas that I am promoting on behalf of the CDR. But, as I said during my election campaign, I am more interested in those who do not vote for us. I realize that one can never convince everybody. There must be people with other opinions, as well. If we had come to power, the existence of an opposition would have been as necessary as ever, since the opposition

represents the interests of the citizens toward any administration. I am convinced that now is the time for a dialogue where facts—not words—count.

[Lupu] A short while ago you launched a "Manifesto for the Salvation of Romania," as a basis for future discussions with the Social Democracy Party of Romania [PDSR]. Nevertheless, the signals that you received from those quarters have not been all that positive so far. Does the manifesto or the latest document represent a last offer made by the opposition to the ruling party?

[Constantinescu] No offer should be the last one and no dialogue should be the last one, either. Politics is important for the very reason that its role is to turn chaotic and violent confrontations into exchanges of ideas.

[Lupu] Nevertheless, it seems that the negotiations conducted by the CDR parliamentary parties with the PDSR have only led to minor results. What are your plans for the forthcoming period?

[Constantinescu] Unfortunately—why not be open about it?—we have noticed that for the past four months the PDSR has used us to counter the claims of its allied parties situated even further to the left of the political spectrum and to offer a false image of dialogue for both internal and external consumption. I do not see any further point in prolonging this incorrect and inefficient political game.

[Lupu] What is the Convention doing about it? What will it decide at the next meeting of the CDR Council?

[Constantinescu] Next week, we will be holding a meeting of the CDR Council. Speculations have been made, particularly in the press, to the extent that we will raise the issue of launching an election campaign. But this campaign is not a goal in itself. It should only be a means for a positive change in people's lives. What we now see as the current power's behavior is a reaction to the latest public opinion polls, which, regardless of nuances, have primarily emphasized that the CDR is ahead as far as the people's trust is concerned, thus turning our movement into the primary political force in the country. Then, according to the views of the participants in these public opinion polls, a CDR government has now edged into first place (with 35 percent), followed by a CDR- Democratic Party [PD]-PDSR government second, and a monocolour government like the current one third (with only 14 percent). Nowhere in the world can you have a viable government when all the opinion polls indicate that the level of distrust exceeds 70 percent!

[Lupu] On the basis of the data in these polls, we conclude that, if elections were to be held now and these results were achieved, then the CDR and the PD would find themselves in today's situation of the PDSR and its current allies. Therefore, the basic aspects of the problem would not change and the parliamentary blockage would remain. How would you proceed in such a situation?

[Constantinescu] Indeed, this is the direction indicated by all recent opinion polls. In all seriousness, though, I must say that elections are not carried out by opinion polls. We must take into consideration the huge means of influencing and organization available to the current power, primarily their ability to present themselves as a party-state. They are using, to a greater or lesser extent, the force of the state for the benefit of the party. However, if the blockage generated by the government's immobility persists on the key issues of reform, then the situation will further deteriorate and public support for the current opposition will grow.

[Lupu] Do you hope that you will exceed the 51 percent that the opinion polls credit you with?

[Constantinescu] Yes, so as to create a clearer majority that I believe the country needs so much. At the same time, I would like to clarify further a point linked to the parliamentary blockage, as you called it and as the rulers also call it. Well, there is no such thing as a parliamentary blockage! It only appears in the excuses of the current power, which wants to pass their only failures into the opposition's court. When the current parliamentary majority wants to pass a law, it does so, as the case of the Law on Agricultural Income Tax clearly shows. The opposition strongly opposed that law and even left Parliament's hall. However, the law was passed. Of course, the opposition can do something about it all, and it did so. For instance, these are the tactics that we adopted in the case of this law: The opposition seriously participated in the debates of the parliamentary commissions, thus managing to diminish the negative impact of this law by reducing the size of the stipulated taxes. If the initial form presented by the government is compared with the latest version, one can see the improvement. Therefore, if we did not exactly manage to block the government's draft law, we did manage at least to dilute it. On this occasion, people may notice that Parliament is not to be blamed for everything that does not work. Similarly, they may realize that Parliament's achievements are also due to the opposition's efforts.

'Exclusive' Interview With Zhirinovskiy Cited

AU1804153294 Bucharest *EVENIMENTUL ZILEI* in Romanian 14 Apr 94 p 1

[Note by Marcela Feraru: "Vladimir Zhirinovskiy Announced That He Wants To Come to Romania"]

[Text] Our special correspondent in Strasbourg, during the proceedings of the Parliamentary Assembly of the Council of Europe, obtained an exclusive interview for *EVENIMENTUL ZILEI* with Russian ultranationalist leader Vladimir Zhirinovskiy, the man who troubled the waters of the current parliamentary session of the European forum.

"It was not I who said that the Romanians are Italian Gypsies, but a friend of mine in Bulgaria. I do not know what Romania is, but I intend to go there. There are certain actions of Romania against Moldova, which is a

Russian land. Romania has to eliminate its territorial problems. You have problems with Moldova, Bulgaria, and Hungary and you have no army, which is very bad for you. We want to have our own sphere of influence in Eastern Europe, that is in the former socialist area, including Poland and Budapest," Vladimir Zhirinovskiy told us.

"Iliescu was friends with Ceausescu. For you, Nicolae Ceausescu was very good, people loved him, and you were happy with the old regime," the leader of the Liberal Democratic Party of Russia added, basing his affirmations on movies he has seen.

The Russian leader also said that "Iliescu is exactly like Gorbachev" and that he is expecting an invitation to visit Romania.

Democratic Party Protests Chisinau Decision

AU1804120094 Bucharest *AZI* in Romanian 11 Apr 94 p 3

[Communique of the Executive Bureau of the Democratic Party dated 10 April: "The Romanians' Will To Be Together Remains Intact"]

[Text] The Executive Bureau of the Democratic Party has learned with deep concern and profound distress about both the decision of the Parliament of the Republic of Moldova to resume, in a substantial way, the country's integration within the CIS—the successor to the USSR—and the Chisinau officials' declarations, which are contrary to the ideals and national aspirations of the Romanians living on both banks of the Prut River.

The Democratic Party has never doubted for a minute that the imperial spirit from the East would be abandoned soon and easily, but it kept hoping that despite the numerous hardships of the current times the Romanians living in Bessarabia would prove capable of turning to good account the advantages offered by the new international situation to definitely unchain themselves and return, in one form or other, to the cultural, economic, and political space of their historic homeland. Unfortunately, the decision passed by the Parliament of the Republic of Moldova runs counter to the course of history and can gravely and dramatically delay the accomplishment of the Romanian national ideal of reunification.

At the same time we reject with indignation all assertions that the post-December [1989] Romania never granted assistance to the Republic of Moldova. At least during the Roman and Stolojan governments, the assistance that was granted was continuous and substantial, it came from all our hearts, despite the fact that it meant a significant sacrifice for the population of our country. However, it is also true that a certain feeling of having been abandoned, which is experienced by the Romanians in Bessarabia, is the fault of the current government, as well as Romania's Presidency, which failed to use the favorable circumstances created after the 1989

December revolution and to show the evidence of patriotic courage and political resoluteness that would have been needed for the reunification of the country.

We are certain that the will of the Romanians living on both banks of the Prut River to be together remains intact, as this guarantees that sooner or later the country that was violently torn away from us and submitted to dictatorship will be a WHOLE [preceding word published in capitals] again, to the benefit of the prosperity of the Romanian nation and stability in Europe.

SRI Director Views Cooperation With Media

AU1804200294 Bucharest Radio Romania Network in Romanian 1700 GMT 18 Apr 94

[Text] On the initiative of Professor Virgil Magureanu, director of the Romanian Intelligence Service [SRI], the leadership of that institution had a meeting today with editors-in-chief, directors, and general directors of press organizations, radio and television, and the Romanian Press Agency, during which they addressed issues related to current relations between the SRI and the media and the more fluid and open circulation of information, both in the interest of the public readership and national security.

After the conclusion of the meeting, Virgil Magureanu granted a brief interview to Gheorghe Verman, director of the Information, Journalism, and Sports Department of Radio Romania, in which Magureanu assessed that it

had been a useful conversation during which everyone was able to very openly state their opinions. There were also some slightly biased accents, but, on the whole, the expressed opinions were objective and not acrimonious, Magureanu stated.

Answering a question as to whether openness and the security of the state are compatible, the head of the SRI assessed that within certain limits they are compatible, adding that openness should refer primarily to the already final results of actions designed to protect national security. It would also be necessary, Magureanu said, for the illegal monopoly of one or the other party—that is, the SRI or the media—over national security information to be dissolved so that cases can be solved more rapidly through correct cooperation.

Asked to comment on cooperation so far, especially on the current cooperation between the SRI and the "Romania Actualitati" [Current Events] program, Prof. Magureanu appreciated, above all, our radio's optimal objectivity with respect to the image of the institution he leads. That image is sometimes good, sometimes bad, changing with time, Magureanu added.

At the end of the interview Magureanu stated that he is quite optimistic on relations between the SRI and the press and that he believes that the institution he is leading has a great deal of things to do before it obtains the necessary trust of those who should be its partners. He concluded by saying that such relations are not necessarily identical to those among equal partners.

Serbs Seize Heavy Weapons in Exclusion Zone

AU1904114594 Paris AFP in English 1130 GMT 19 Apr 94

[Text] Sarajevo, April 19 (AFP)—Bosnian Serb forces have recaptured heavy weaponry which was placed under UN control in the Sarajevo region, a UN officer said Tuesday [19 April].

UN Protection Force spokesman Eric Chaperon said the weaponry was taken from Lukavica, in a Bosnian Serb district of Sarajevo.

More UN Military Observers Detained

BK1904072094 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 19 Apr 94

[Text] Serbian forces have detained two more UN military observers from Indonesia serving in Sarajevo. This brings to six the total number of Indonesian military observers detained by the Serbs.

A press release issued by the Indonesian Armed Forces headquarters in Jakarta said the six Indonesian observers are Major (Didi Sumardi), Major (Muhiddin), Major (Toto Sudarto), Major (Dwi Istianto), Major (B. Irawan), and Captain (Suryawan). They are in good condition but are not allowed to leave their post.

In addition to the Indonesian officers, UN observers from Bangladesh, the Netherlands, and Jordan have also been detained by the Serbs. Efforts to free them are now being made by the UNPROFOR [UN Protection Forces] commander and UN officials by holding talks with the Serbian and Russian officials.

Serbs Free 19 UN Peacekeepers

AU1704131994 Paris AFP in English 1300 GMT 17 Apr 94

[Text] Sarajevo, April 17 (AFP)—Serb forces Sunday [17 April] released 19 UN peacekeepers who had been held hostage for three days at a barracks at Ilijas, north of here, a UN spokesman said in the Bosnian capital.

The peacekeepers were freed at 1:35 p.m. (1135 GMT), said Major Eric Chaperon.

The troops, 16 Canadian peacekeepers and three military observers of unspecified nationality, were due to return to their post at Cisluk, 19 kilometres (11 miles) northwest of Sarajevo, Chaperon said.

They had been deployed there to monitor seven Serb mortar and two anti-aircraft cannons.

The batteries had been retained in Cisluk in violation of the February accord under which Bosnian Serbs agreed to withdraw all heavy weapons from a 20-kilometre (12-mile) exclusion zone around the Bosnian capital under threat of North Atlantic Treaty Organisation air strikes.

Bosnian Serb forces still detained or blocked Sunday hundreds of United Nations peacekeepers in several Serb-held sectors of Bosnia.

Gorazde Situation Worsens as Attack Continues

Rose Hopes Serbs Will Be 'Merciful'

PM1904120294 London THE DAILY TELEGRAPH in English 19 Apr 94 p 10

[Report by Peter Almond: "We Came To Keep Peace, Not Fight a War, Says Rose"]

[Text] "You do not fight a war in white vehicles," said the UN Commander in Bosnia, Lt-Gen Sir Michael Rose, yesterday as he considered his possible responses to the situation in Gorazde.

"I do not believe we are in the business of going to war in order to create conditions of peace. And I don't think either the world or the contributing nations would accept that."

With Gorazde "on the edge of a major humanitarian disaster", as he told BBC Radio 4, and with the Serbs pouring shells into the town at the rate of one every 20 seconds, Gen Rose has few options—short of "going to war"—to stop the Serbs doing what they want.

The pressures on him are immense. Bringing to the job the authority and background to take a more robust approach to delivering aid he succeeded far beyond expectations, both in brokering a ceasefire between Croats and Muslims and in forcing the removal of Serb guns around Sarajevo.

But the pressures that defeated his three predecessors were always present and are currently defeating him. White-painted vehicles cannot be used for combat.

His main problem has been to distinguish between the UN Security Council resolution that created a "safe area" around Gorazde and other enclaves and one that calls for the protection of UN personnel if they come under attack. He indicated yesterday he remains torn between the two.

"I am responsible for the lives of 15,500 young men and women here who have been sent here as peacekeepers, not to fight a war," he said in Sarajevo. "My responsibility is to them as much as it is to the people of Bosnia-Herzegovina."

The threat of air strikes succeeded around the safe haven of Sarajevo, but Gorazde required close air support operations that were quite different.

Instead of the precision strike aircraft that Nato had planned to use in operations against artillery and command bunkers around Sarajevo, Gen Rose could only call on available "cab rank" close air support aircraft to attack opportunity targets around Gorazde.

The Serbs had the advantage of time and place in their attacks: the Nato pilots were handicapped by bad weather, and by rules of engagement that require positive visual identification of specific tanks or guns threatening UN personnel directly.

American pressures to make no distinction between defending UN personnel and protecting safe areas—as stated by Mr Warren Christopher, Secretary of State, a week ago—appeared to confuse the UN.

While officials at the Nato air headquarters in Italy pressed for a wide-scale bombing campaign to stop Serb tanks, Gen Rose was pressed by Mr Yasushi Akashi, the UN Secretary-General's special representative, to use close air support strikes only when absolutely necessary.

Mr Akashi won. Gen Rose was reminded that he is a UN officer on a peace-making mission. The resulting close air support actions were too little and too late.

While properly prepared air strikes could still check the Serbs, largely with American aircraft, Gen Rose knows that the Bosnian Serbs still have more than 100 UN hostages, with opportunities for grabbing others, and that he has very little hope of getting more troops to reinforce his peacemaking efforts.

Yesterday, he could only hope that the Serbs will be merciful in their victory at Gorazde.

"I very much hope the situation will slowly return to normality, that we can prevent a humanitarian disaster around Gorazde and we can then go back to what we're supposed to be doing here and that is helping to return this country to peace and normality," he said.

Deflated and without his usual bounce, Gen Rose sounded bitter at the duplicity and treachery of the Bosnian Serb leadership.

"It is a very sad day for the world when peace-keeping is used as a cover for the prosecution of war aims in such a blatant fashion. The assurances that were given repeatedly during the peace talks over the last week to people like Mr Akashi, and indeed to Mr Churkin (the Russian envoy) have been totally ignored.

"We now arrive at a very very sad situation indeed. However, you do have to put that against our overall mandate here in Bosnia-Herzegovina, which is obviously a force for peace. And if you look at what has been achieved in central Bosnia and in and around Sarajevo you will find that life is slowly returning to normal."

His options to help Gorazde now are limited to trying to get medical help to the town. But even in that Gen Rose said he depended on the agreement of the Serbs to let casualty evacuation convoys in. The Serbs, he said, did not advise it "for the moment," and he admitted it may be another day or two before they do.

UN: Serbs Ignoring Cease-Fire

AU1804181594 Paris AFP in English 1753 GMT 18 Apr 94

[Text] Sarajevo, April 18 (AFP)—Serb forces pounded away at Gorazde Monday, ignoring their latest ceasefire announcement, the Red Cross and UN officials said.

The UN peacekeeping force here reported tank, artillery and sniper fire on the mainly Moslem town in eastern Bosnia.

Earlier in the day the United Nations said the Bosnian Serbs had agreed to an immediate ceasefire, the second in two days. Sunday's truce was ignored as well.

Serbs Shell Fleeing Refugees

AU1904110594 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1000 GMT 19 Apr 94

[Report by Enes Musovic from Gorazde]

[Text] The situation in Gorazde is extremely critical and dramatic. After Karadzic's fascists literally razed to the ground all the villages on the outskirts of town and massacred and burnt hundreds of people in the villages around Gorazde, this morning they launched a fierce onslaught from the direction of Foca on (Osana) and Ilovaca. Thousands of fascists are moving from the direction of the Praca River valley toward Orahovice and Zorovici. Over 50 new tanks are on the move as are thousands of artillery pieces. A fierce Chetnik offensive has been launched from the direction of (?Deseva) toward (?Ranje) and Ostro.

Dozens of the most destructive shells are landing in the town's center every minute. There are dozens of massacred, heavily wounded lying in the streets. No one can help them as the entire town is under heavy artillery and sniper fire. About 700 wounded in the war hospital have been left to die since there is a lack of even the most basic of medicines. There are also no bandages.

At the moment of filing this report, we received the information that the aggressor has fired chemical agents at the war hospital.

The town of Gorazde is dying despite all the appeals and warnings of these people sent to domestic, European, and international institutions. According to the latest information, dozens of thousands of new refugees are heading for the town center. The aggressor is firing at them with mortars and tanks. Your correspondent from this town has no words to describe the horror in this area.

The members of our army are still courageously resisting the onslaught of the fascists, but the question is how long they will be able to endure. It is a question of hours before Gorazde becomes the next Vukovar.

Hospital Targeted; Apartments 'Blown Apart'

AU1904085694 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 0800 GMT 19 Apr 94

[Report by Enes Musovic from Gorazde]

[Text] This morning hand-to-hand fighting is under way on the right bank of the Drina River. The Chetniks are also situated on the left side of Gorazde, at the gates to the town center, with a number of tanks and strong infantry forces. So the Chetnik occupation of Gorazde is

coming to a very painful and tragic close for these people. An entire town and its people—who were fed lies about living in a Security Council protected area—is being wiped from the face of the earth, left to the mercy of Chetniks.

This morning the Chetniks are targeting the hospital area with chemical agents.

Yesterday, overnight, and this morning the mass slaughter of civilians on the left bank of the Drina River is continuing, not with knives but with shrapnel. Overnight alone thousands of shells were fired from Jabuka and [word indistinct] at the town center on both banks of the Drina River. Dozens of apartments were blown apart and there were many civilian casualties. The shells rained down only a few meters away from the headquarters of the UN monitors.

This morning six tanks and hundreds of Chetniks are attacking Gorazde from the direction of (Osanica). The attacks have also started on Ilovaca, Zorovici, and Bare. People are fleeing from these villages toward the town. And while 60,000 people are crowding the town center on the left bank of the Drina River, the Chetniks are looting and burning all the villages that have been emptied. Yesterday dozens of trucks arrived in Kopaci, 5 km from Gorazde, from Priboj and other towns in Serbia and Montenegro, and looting is under way on a massive scale. This was supervised yesterday by the two brothers in crime, war criminals Radovan Karadzic and General Ratko Mladic. They also toured the premises of the wire factory and [word indistinct] in Kopaci, which they managed to capture with the full support of the UN, together with the residential area [words indistinct].

The mass slaughter of these people is to happen today as the Chetniks have already this morning activated their bloody artillery on the surrounding hills. The shells are again killing, and who knows for how long it will continue to claim victims among the women, children, old folk, and all those caught in this tiny crowded space.

Finally it must be made clear to the world that these innocent victims and the full tragedy of the people of Gorazde are their shame.

Serbs Call for Surrender

LD1504202694 Belgrade TANJUG Domestic Service in Serbo-Croatian 2001 GMT 15 Apr 94

[Text] Sarajevo, 14 Apr (TANJUG)—The supreme command of the Srpska republic armed forces this evening issued a statement calling on citizens of Muslim and Serb nationalities from the Gorazde area to take refuge behind the Serb lines, where they will be guaranteed security and protection.

Full security and protection is also guaranteed to all members of military and police units who end attacks on Serb positions and surrender their arms to the Srpska republic army, reads a statement of the supreme command of the Srpska republic armed forces.

Latest Cease-Fire Ignored

LD1804222494 Zagreb Radio Croatia Network in English 2103 GMT 18 Apr 94

[Text] Serb heavy artillery continued to pound the Moslem town of Gorazde. UN sources say tank, artillery, and sniper fire is raining down on Gorazde despite a cease-fire signed hours ago.

Serbs Begin Fresh Attack

LD1904072694 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 0600 GMT 17 Apr 94

[Text] According to the latest report from Gorazde, following last night's relative lull, this morning at about 0400 Karadzic's Serbs launched fresh attacks on this town. Here is a report from Gorazde.

[Correspondent Fahrudin Brkic] [passage indistinct] in the southeast part did not stop for a single moment. There was no respite either in an unprecedented exodus of people from their burning villages. [placenames indistinct] villages were put to the torch by the chetniks yesterday. The aggressor's infantry attacks were accompanied by artillery that pounded the entire town and its outlying suburbs until 0200 this morning.

Following a brief lull, these operations resumed at about 0400. On the 20th day of the offensive against Gorazde [word indistinct] of this town has reached its culmination. Fahrudin Brkic reporting for Bosnia-Herzegovina Radio.

Muslims Violating Cease-Fire

LD1804145794 Belgrade TANJUG Domestic Service in Serbo-Croatian 1354 GMT 18 Apr 94

[Text] Cajnice, 18 Apr (TANJUG)—Muslim forces have not respected the cease-fire agreement for one moment at the Gorazde front. Since early this morning they have been attacking the Serb positions and using all available infantry and artillery weapons, the command of the [Srpska] Herzegovina Corps said today.

The fiercest Muslim attacks have been launched from the Baba and Kik hills about 5-6 km southwest of Gorazde on the left bank of the Drina. The attacks are aimed at the villages of Bachci and Lalete.

According to the command of the Herzegovina Corps, it is obvious that the Muslims are trying to break through along the Drina toward the Foca area. In this way they want to draw in the Serb units in the area in order to relieve the right bank of the Drina and regain the territories lost on Saturday and Sunday.

Serb positions on Biserna hill above Gorazde on the right bank of the Drina were fiercely targeted from the town today. The heaviest fire is coming from a five-story building in the town center where the United Nations has been accommodated. UN representatives are on the fifth floor of the building, while the Muslims have

deployed a heavy machinegun on the fourth floor and an anti-aircraft gun on the third floor.

Heavy fire can be heard from the area around the bus station. Muslims are targeting Serb positions with 82-mm mortars deployed behind the UN Protection Force building.

According to Colonel Jezdimir Lakicevic from the command of the Herzegovina Corps, the Serb forces are responding only when they have to protect themselves. He claims that the Muslims razed 400 houses in the Serb village of Sopotnica, which was liberated yesterday.

Muslims Firing From 'Fortresses'

LD1904084294 Belgrade TANJUG Domestic Service in Serbo-Croatian 0809 GMT 19 Apr 94

[Excerpts] Cajnice, 19 Apr (TANJUG)—Srpska republic army positions on the right bank of the Drina River have been under fierce Muslim fire from Gorazde since yesterday, despite the cease-fire agreement signed by Radovan Karadzic and Yasushi Akashi two days ago, the command of the Herzegovina Corps reports. [passage omitted]

Serb military sources point out that all residential buildings in Gorazde, including the buildings of international humanitarian organizations, are in fact fortresses from which fire is being directed toward Serb positions. [passage omitted]

Casualty Figures Reported

LD1804191894 Lisbon RTP Internacional Television in Portuguese 1800 GMT 18 Apr 94

[Excerpts] The city of Gorazde fell to the Serbs this afternoon. [passage omitted] The UNHCR has its hands tied, it can do nothing to protect the 60,000 Muslims of Gorazde.

[UNHCR spokesman Manuel Almeida on the telephone, identified by caption] Up until last night the number of casualties was 302 dead and 1,075 injured. Yesterday alone, 37 people died and 73 were injured. [passage omitted]

Serbs Agree to International Buffer Force

AU1704140694 Paris AFP in English 1342 GMT 17 Apr 94

[Text] Sarajevo, April 17 (AFP)—Bosnian Serbs agreed Sunday to the deployment of a 336-member international buffer force in the Moslem enclave of Gorazde, UN spokesman Major Dacre Holloway said Sunday.

He said the agreement was reached earlier between UN special envoy Yasushi Akashi and Serb authorities meeting in nearby Pale, stronghold of Bosnian Serb leader Radovan Karadzic.

Under it, the multinational force—more than half of whose members are French—will be allowed to move

around freely in Gorazde and helicopters will be able to fly to, in, and around the enclave, the spokesman said.

Deployment of the force was one of the conditions Akashi set earlier for resuming peace negotiations in Pale.

The force, composed of 170 Frenchmen, 66 Ukrainians, 50 Egyptians and 50 British, has been on alert at Sarajevo airport since Friday, ready to leave within two hours' notice of the signing of an agreement.

The Ukrainian troops are to take up position on the hills overlooking Gorazde, to the southeast.

Holloway said the French would leave first for Gorazde, travelling by road, and would be escorted by Bosnian Serb forces.

Silajdzic: Bosnia 'Betrayed' by UN

TA1804155194 Ankara ANATOLIA in English 1510 GMT 18 Apr 94

[Text] Sarajevo, Bosnia-Herzegovina April 18 (A.A.)—Bosnia-Herzegovina Prime Minister Haris Silajdzic on Monday said that his country has been betrayed by the United Nations, adding there is nothing to be done "as they (United Nations) do not want to do anything. The West is afraid of Russia."

Silajdzic said the problem lies in the fear of the West of Russia which wants a "greater fascist Serbia."

He said NATO can do whatever the United Nations wants, but the United Nations is not doing anything.

"It is a vicious circle," Silajdzic said. "A scenario to kill Gorazde and give it to the Serbs."

Silajdzic said Bosnia is alone against the world, but expressed belief Turkey is doing its best, adding he is constantly in contact with President Suleyman Demirel and Foreign Minister Hikmet Cetin.

On the latest developments in Gorazde, he said he contacted the town half an hour ago and that the West has shown the green light to kill the city and its inhabitants.

"It is proof that the West will not do anything to help and will not lift the arms embargo," he said.

He said according to latest information from Gorazde, Serbs are burning everything in the town and there is a massacre going on.

Silajdzic also said that the Serbs want to take the defenseless city after forcing UN observers and any other UN officials out of Gorazde.

Izetbegovic: Gorazde Victim of UN 'Excuses'

AU1804193094 Sarajevo Radio Bosnia-Herzegovina
Network in Serbo-Croatian 1700 GMT 18 Apr 94

[Address by Bosnia-Herzegovina Presidency President Alija Izetbegovic to rally in Sarajevo on 18 April—recorded]

[Text] Dear citizens of Sarajevo [crowd chants: Bosnia, interrupting him] Dear citizens of Sarajevo, we have gathered here to express our solidarity with the citizens of Gorazde, and to tell them that they are not alone. We have been following their struggle, and living through every hour and minute of theirs.

We are also here for another reason, to express our defiance and to say that the violence and deceit will not pass [crowd cheers], to utter a large No to violence and deceit, and of course to tell them that we are not afraid of them. Those of you who came here have shown that you are not afraid of them. Those who stayed at home are obviously afraid. [crowd chants: Let us go on Gorazde, Bosnia]

This is not the time for long speeches. Even if we had come here in total silence, even if this gathering had come in silence, that would have still been an eternal expression and a message.

They have obviously decided to go for all or nothing. We will also go for all or nothing. [crowd cheers] This is a battle between good and evil, and for that reason in this battle for all or nothing we will get all. They will be left with nothing. [crowd chants]

Dear citizens, it must now be clear to everyone that Gorazde is the victim of a conspiracy. Here are the Chetniks with their steel, and there is the deceitful world, or better said, that part of the deceitful world that is hypocritical and has hypocritical justice. Gorazde is the victim of that. [crowd chants]

And let me tell you something: It is not the fault of the UN Protection Forces [UNPROFOR], it is not the fault of their soldiers, it is not the fault of their officers. It is the fault of the leadership of the United Nations. They too are being killed here, imprisoned, abused. They are following their orders. It is not their fault, you have to know that. It is the leadership that is to be blamed, the head is guilty, and you know what the name of that head is over there. [crowd chants: Ghali, murderer!] Instead of mobilizing the world against evil, against this ominous evil that has come down on Bosnia, they are paralyzing the UN mechanism. They are paralyzing and demobilizing, and instead of action they think up excuses. They are constantly coming up with excuses for not acting. Gorazde is the victim of this, our people in the entire eastern Bosnia are the victim of this, Bosnia is the victim of this. [crowd chants]

I will tell you one other thing: It is not the fault of the Serbs, it is the fault of the Chetniks. The Chetniks are guilty. Make that distinction! Make that distinction for

the good of Bosnia-Herzegovina! You have to separate the wheat from the chaff! Make the distinction between the wheat and the chaff! Those who are among us today, those who have been with us for two years, the Serbs who have been with us for two years on the free territory, in the state, and Sarajevo, they are our fellow-fighters against that evil. It is unfortunate that there is more chaff than wheat, but we will not be blind. We will always separate the chaff from the wheat. Those in the hills are the chaff! [crowd chants]

And finally, we have learned the lesson, they have rammed the lesson home. The lesson is very brief: We must be strong. We must be strong! Pass this knowledge to our children. Tell them that they have to be good and honorable, but that they must be strong. This world respects nothing but strength. The world respects many things, but strength, it seems, the most. We will be strong. Teach your children that. And we will save Gorazde! [crowd chants]

Krajisnik: Muslims Provoking Intervention

LD1804175694 Belgrade TANJUG Domestic Service in
Serbo-Croatian 1716 GMT 18 Apr 94

[Text] Novi Sad, 18 Apr (TANJUG)—Momcilo Krajisnik, president of the assembly of the Srpska republic, today said that the Serbs were disappointed with the fact that the situation in Gorazde had not calmed down following yesterday's talks with UN Secretary General Butrus-Ghali's special envoy Yasushi Akashi.

We expected the situation to calm down. Instead, the Muslims are making every effort to improve their military positions and to depict themselves as victims in order to provoke military intervention, Krajisnik told Novi Sad radio.

He said that the Muslim side did not want a cease-fire, nor does it want a cease-fire across the entire territory of former Bosnia-Herzegovina [as received]. He said that the Srpska republic is attempting in every possible way to present the truth to the world and prove that the Muslim side has brought about the latest crisis around Gorazde.

We have, Krajisnik stressed, ceased all military activity around Gorazde. The foreign media are, however, spreading lies and claims that a large number of shells are still being fired on Gorazde from Serb positions and that the Serb forces are allegedly trying to occupy the town.

Krajisnik said that this was not true, stressing that the Serb forces were on the right bank of the Drina and that they did not want to cross onto the left bank, as envisaged under the agreement [not further specified].

District Official Describes Attack

*LD1804224294 Sarajevo Radio Bosnia-Herzegovina
Network in Serbo-Croatian 2000 GMT 18 Apr 94*

[Passages within quotation marks recorded]

[Text] [Unidentified announcer] The situation in Gorazde is extremely difficult. The fighting is going on both on the right bank of the River Drina and on the Ustipraca side of town. This was the first information we received from Esad Ohranovic, the president of the Gorazde district executive council, who answered questions by domestic and foreign journalists through the radio-bridge with Gorazde this evening. Mr. Ohranovic goes on to say:

[Ohranovic] "The part of town on the right bank is being shelled particularly heavily. This is where the hospital and refugee accommodation are located. What we know now is that 26 have been killed and 71 wounded during the day, I mean between 0800 and now. The figures are not final.

"The hospital has been hit by at least 10 shells. All personnel and the wounded are in the cellars—so the wounded are being treated in poor conditions. The situation is extremely alarming, particularly at the hospital."

[Announcer] Have the defense lines been moved, and where are the Chetnik tanks now—this was the next question Mr. Ohranovic was asked.

[Ohranovic] "The defense lines have not been moved today. The town is being shelled from tanks, howitzers, and mortars, and this from all three directions. Some residential buildings and the hospital are being targeted from three directions. It is extremely difficult. One cannot see this part of town, on the right bank, for the smoke and fire. The education center, the department store, and three blocks of residential buildings are now burning.

"From where I am now we can see three tanks, at a distance of about 1,500 meters. I am now in the part of town closer to Cajnice [southern part]. Earlier today I spoke from the area closer to Ustipraca [north east]. The situation there is unchanged."

[Announcer] How far are the Chetnik tanks from the hospital?

[Ohranovic] "About 1,000 meters."

[Announcer] And the aggressor's soldiers?

[Ohranovic] "Between 200 and 300 meters."

[Announcer] The Serb-Montenegrin aggressor also launched infantry attacks today?

[Ohranovic] "Four infantry attacks were launched during the day. They were mainly repulsed."

[Announcer] The residents of Gorazde and the refugees are under constant artillery and sniper fire, with no roof above their heads.

[Ohranovic] "A lot of people, in particular on the left bank, have nowhere to go. Fifteen minutes ago I was at the UN offices. They are having problems now, because the people are trying to squeeze into their buildings, looking for protection. Believe me, that is a big problem.

"Houses that have been burned down are full of people. The street is like a cauldron. The situation is extremely difficult, caused by the withdrawal of people before the attack."

[Announcer] Water and electricity?

[Ohranovic] "The last convoy arrived in Gorazde on 22 March. All Gorazde water wells are on the right bank, where the shelling is the heaviest. You can imagine what the situation is like. The people on the streets have fled their houses, carrying perhaps an armful of supplies."

[Announcer] How many foreigners are there in Gorazde?

[Ohranovic] "There are four members of the UN team, two UNHCR officers, two members of the Medecins Sans Frontieres [MSF], and two members of the International Red Cross [IRC] team. They are still here, but have announced their departure.

"The IRC center was shelled several times today. Four people were wounded."

[Announcer] Enemy propaganda tried to launch another lie today, that two MSF members had been arrested.

[Ohranovic] "This is a lie. I had some coffee with these people some 15 minutes ago. It is very unfortunate for us that the only anesthetist in Gorazde has been seriously injured and cannot work. He was wounded at work, has been pulled out of the hospital and is currently with the UN team. Our hospital does not have an anesthetist at all, people who have no previous experience are doing his work."

[Announcer] Are the Chetniks withdrawing?

[Ohranovic] "Not for the time being. What they are saying—that they have withdrawn—is a downright lie."

Srpska Official Comments

*AU1804172894 Belgrade Radio Beograd Network in
Serbo-Croatian 1444 GMT 18 Apr 94*

[Telephone interview with Nikola Koljevic, vice president of the Srpska republic, by Zivojin Jerotijevic and Dragan Colovic—live]

[Text] [Jerotijevic] We have vice president of the Srpska republic Professor Dr. Nikola Koljevic on our direct telephone line. Good day!

[Koljevic] Good day!

[Jerotijevic] Professor Koljevic, I will not ask you anything as we have here our expert, foreign affairs' commentator Dragan Colovic.

[Colovic] Good day from me, Mr. Koljevic.

[Koljevic] Good day, Mr. Colovic.

[Colovic] How do you view the latest development of the situation around Gorazde?

[Koljevic] I believe that after today's meeting that we have had in Pale, that is, after yesterday's meeting with Mr. Akashi, to be precise, this dilemma of which our Foreign Minister Buha spoke is nevertheless verging more to the side of peace than to the possible side of escalation. Namely, after yesterday's meeting with Mr. Akashi and the appeal that he issued on that occasion, our authorities decided to immediately implement or assist in the implementation of the following measures as sign of goodwill: We agreed that the Serbian forces would stay outside the 3-km zone on the left bank of the river at Gorazde and that we would agree to an as speedy as possible deployment of UN Protection Force [UNPROFOR] troops on the left bank in order to restore peace there as quickly as possible. Namely, it is well known that there have been more attacks from the Muslim side after we had agreed to instantaneous peace yesterday. Yesterday, we also agreed on medical assistance and evacuation by helicopters. Unfortunately, the Muslim side did not accept this evacuation this morning for political reasons, so it seems, because they wanted to dramatize the situation in Gorazde in the media. However, we did agree on this and it is important that the international public is aware of this—the assistance and evacuation from Gorazde and other settlements—as well as all humanitarian organizations, primarily the Red Cross.

We also agreed that the UN High Commissioner for Refugees [UNHCR], the Red Cross, the Medecins sans Frontieres, and the Handicap International should resume humanitarian convoys as soon as possible, that all humanitarian workers be guaranteed free movement throughout the territory of the Srpska republic, and that our republics' police units would accompany these convoys to safeguard their safety. This was agreed and I believe that these are the signals that, above all, show the improvement of the relations between the UN civilian sector and our authorities, prove that there is goodwill on the Serbian side to stop all other activities, and above all ensure correct information about Gorazde, where plenty of disinformation has been coming from. Therefore the presence of UNPROFOR on the left bank of Gorazde could be a major step toward peace in Gorazde and later also toward proliferation of peace if the Muslim side would be willing for this in other areas.

[Colovic] Yes, Mr. Koljevic. The implementation of this agreement will definitely depend on the behavior and reactions of the Muslim side. Are there any indications regarding this?

[Koljevic] You know that for any agreement at least two, and for many agreements such as ours, three or four sides are needed. For the time being we have no indication [words indistinct] that these helicopters have been rejected this morning, however, I believe that it is now up to the agencies of the international community, primarily the Red Cross and the UNHCR, and we shall see whether they will succeed and be accepted. The only question remaining now is whether the Muslim side would accept them on their territory, too.

[Colovic] There have been reports that Vitaliy Churkin, special envoy of the Russian President Yeltsin, is returning to Moscow. How do you interpret this, bearing in mind everything that this mediator has done and accomplished over the last few days in pacifying this dramatic situation.

[Koljevic] Well, I do not know the precise reasons for his return to Moscow, however, I presume that he was recalled for consultations in order to accomplish as soon as possible not merely this transitional solution for Gorazde, but also an agreement that would guarantee a general end to hostilities, and to obtain the Russian position toward this document, which we need most urgently if we do not want the war to really escalate.

[Colovic] I shall read you a REUTER report. Namely, in Zagreb, Churkin said, as REUTER quotes, that the defense of Gorazde has broken down and the town, as it is quoted, continues to be under Serbian siege. The only thing demanded from the Serbs is to stop the attacks on Gorazde but, unfortunately, they are not in a position to do so, Churkin said and added that a solution could be found if the world would agree to the abolition of sanctions against Serbia. As he said, the principles of the abolition of sanctions are important for the Serbs. How do you comment on this?

[Koljevic] I believe that this, especially the second part referring to the sanctions, is very accurate. We cannot embark on any further negotiations before the issue of sanctions, and not only their abolition, is accepted and also specified. Well, because things are changing by the hour, I believe that we have demonstrated out goodwill by agreeing to UNPROFOR presence on the left bank of Gorazde and the start of demilitarization. Therefore, this is slightly different today than it was yesterday when he was here.

[Colovic] Mr. Koljevic, you have said that the things are changing by the hour. I, therefore, ask you what steps can be expected from the Serbian side in the next few hours?

[Koljevic] In the next few hours we will try—we will remain in contact with the UNPROFOR civilian sector—to secure as speedy as possible a realization of this agreement, and then we will strive to improve other liaisons with UNPROFOR. For instance, the Ukrainian battalion in Zepa needs to be replaced and this would be a sign of goodwill. Namely, they need logistical support and we must resolve this in the afternoon. Naturally, we

must inform all our agencies to carry out preparations for the continuation of the humanitarian work as early as possible.

Tomorrow morning at approximately 1000 we shall see when the deployment of UNPROFOR forces, as the most important issue, will be possible.

[Colovic] Does this mean that a change will occur in the liaison with the military section of UNPROFOR?

[Koljevic] Well, probably it will occur, however, it cannot happen immediately. We must... [pauses] for the time being we only have the authority of our supreme command to communicate via the civilian sector, however, numerous issues, even the military ones, can be resolved through the civilian sector.

[Colovic] At the end, Mr. Koljevic, let me ask you, what do you expect in the Gorazde sector, what further development of the situation?

[Koljevic] I do not know whether even those who are currently in the direct vicinity of Gorazde could give a precise answer to your question. However, judging by our information here we expect the abatement of the situation, unless significant propaganda military provocations by the Muslim side take place in Gorazde. In such a case it would be very difficult to restore peace in Gorazde, for which we were willing.

[Colovic] Yes, and the aforementioned agreement with special envoy of the UN Secretary General Akashi, too. Mr. Koljevic, thank you very much.

[Koljevic] Thank you, too.

Lukic: Attack 'Merely Counteroffensive'

BR1804140694 Milan L'INDIPENDENTE in Italian
17-18 Apr 94 p 13

[Interview with Vladimir Lukic, prime minister of the Srpska republic of Bosnia, by Fausto Beloslavo in Pale on 16 April: "Rest Assured, We Will Protect the Bosnians"]

[Text] Pale—Vladimir Lukic used to be an engineer, lived in Sarajevo, and once worked for the United Nations for six months. Then the war upset everything and people changed careers. Now 61-year-old Vladimir is the prime minister of the Srpska republic of Bosnia, whose armed forces control 70 percent of the martyred former republic of Yugoslavia. He agreed to grant L'INDIPENDENTE an exclusive interview in his office, where several telephones with numerous science-fiction-like lines—a symbol of power in this region—occupied a conspicuous place.

[Beloslavo] Today (yesterday for the reader—L'INDIPENDENTE editor's note) your militias have entered Gorazde after several months of siege, in open defiance of the UN resolutions which declared the enclave a "safe area"...

[Lukic] We do not consider Gorazde a United Nations-protected area, because it was never demilitarized. There are some 12,000 to 15,000 Muslim soldiers over there. What we are involved in is merely a counteroffensive. Our generals have asked the Bosnians to surrender, telling them that their lives will be spared. We want no more massacres.

[Beloslavo] What will now happen, following NATO's air raids?

[Lukic] If the attacks continue, the Balkans will explode, but I would rather not even think of such a possibility. This is not like the Gulf War. This conflict is different from, and worse than, previous ones. There are many dangerous weapons in Europe, some of which are under control, whereas others are not...

[Beloslavo] Are you referring to ultranationalist Russian leader Zhirinovskiy's threats?

[Lukic] We cannot take his statements too seriously, but we are not underestimating them either.

[Beloslavo] What do you think of Italy's role in making its bases available for NATO's attacks on your positions?

[Lukic] Your country took part in the aggression against Serbia, but I see no reason why we should prolong this conflict. We respect your minority in the former Yugoslavia, and some Italians are fighting by our side...

[Beloslavo] Italians? Do you mean those trained in Krajina?

[Lukic] I am not speaking only of the Garibaldi Battalion, but of many who lived and worked in Trieste or other Italian towns, and who have returned to fight where they were born.

[Beloslavo] So, no missiles will be launched against Italy?

[Lukic] If it were not for the bases, we would not even send a carrier pigeon in your direction, you would have nothing to fear. But you know very well that there are hardly any nations by now that do not have aircraft or missiles which can be used against neighboring countries, without distance being any problem.

[Beloslavo] Is it true that you also bear the Vatican a grudge?

[Lukic] We have made our criticism known for the Vatican's support of sanctions against Serbia, and also for having favored the former Yugoslavia's dissolution in several ways. Recently we have received a number of different signals, which make us hope that relations will improve.

[Beloslavo] Are you asking for the head of UN troops commander in Bosnia General Rose?

[Lukic] It is true that we can no longer sit at the same negotiating table as the person who ordered the air attacks.

[Beloslavo] Are there hopes of peace becoming flimsier?

[Lukic] The result of the adventure attempted by the United States, which aimed to create a Croatian-Muslim federation in Bosnia excluding the Serbs, was to eventually pave the way for NATO's aggression. In such a situation, we cannot talk of peace.

Rose: Five UN Military Observers in Gorazde

AU1804151294 Paris AFP in English 1435 GMT 18 Apr 94

[Text] Sarajevo, April 18 (AFP)—The United Nations withdrew seven of its liaison officers from the besieged eastern Bosnian enclave of Gorazde Monday but left five unarmed military observers behind, General Michael Rose, the UN ground commander in Bosnia, said.

Rose said the liaison officers were pulled out of the Moslem enclave at dawn because their equipment was not usable. He did not elaborate on what he meant by that.

Earlier in Zagreb, a French military source reported that the UN had pulled all of its personnel from Gorazde overnight Sunday as the Serbs intensified their shelling of the town where some 60,000 people are trapped.

The UN High Commissioner for Refugees in Geneva said four of its representatives also remain in the enclave.

Srpska Army Repulses Muslim Attack on Brcko

LD1804192294 Belgrade TANJUG in English 1914 GMT 18 Apr 94

[Text] Banja Luka, April 18 (TANJUG)—The army of the Bosnian Serb republic on Monday repulsed a strong combined Moslem attack on Brcko in the north of the former Yugoslav republic of Bosnia-Herzegovina, Bosnian Serb army sources said in a statement.

More than 100 artillery shells were fired on Bosnian Serb positions in the area.

The Serb side repulsed a Moslem infantry attack, in which it suffered no casualties, and the Moslems then continued to open artillery and machine-gun fire on Serb positions, the statement said.

The attack proves correct the increasingly frequent reports about concentration of Bosnian Moslem and Croat forces towards Serb positions in the valley of the river Sava, where they are planning to cut the only land corridor between the Serb Krajina regions in the west and the federal republic of Yugoslavia in the east.

Serbs Fire Russian-Made Missiles on Doboj Front

AU1804190694

[Editorial Report] Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian at 1700 GMT on 18 April

carries in its regular 30-minute newscast several reports on the fighting in the republic. Reception is fair.

Updating the situation in Gorazde, Enes Musovic says that "the early evening hours bring only continuation of the agony, chaos and hell. The Chetniks are intensifying their murderous attacks. They are about to enter the town." He says that "while NATO planes continue their futile flights high above Gorazde, the aggressor is continuing the slaughter of civilians. The Chetniks have fired dozens of thousands of shells today alone, and it is a miracle that anybody is still left alive here."

In his report from Brcko, Hamiz Deronjic says that "throughout the day, Chetniks have been shelling the defense positions and civilian targets from several artillery strongholds. The enemy has been pounding Djukici, Vranovaca, Boderiste, and the central part of the Brcko defense with mortars and recoilless guns. A B-1 hill cannon [as heard] has been firing from Cadjavac at Vranovaca and Omerbegovaca." He says that "the general alarm was sounded twice today, at 1200 [1000 GMT] and 1600, thus marking the periods of the heaviest shelling of the free Brcko territory, which has been exposed all day to fire from the Chetnik 120-mm and 155-mm howitzers."

The Teocak Press Center reports that "this morning howitzer and tank shells, and mortars fired from the Chetnik stronghold of (?Dzmad), Priboj, (Dusanovo Brdo), and Lokanj landed today on the villages of (Snjeznica), Jasikovac, (Bivalici), and Stari Teocak. Several people were wounded."

The 206th Chivalrous Zvornik Brigade reports that "since the early morning hours, tanks, howitzers, and mortars of all calibers have been used to indiscriminately pound Sapna, Kobilice, Vitinice, Zaseok, Nezuk, and Kodus. Over 150 destructive shells landed on the free Zvornik territory, but miraculously there were no casualties."

Jasmin Puskarevic reports from the "free territory Doboj-East" that "in the operative zone of the 109th Doboj Brigade the aggressor has been continuously shelling the defense lines and the civilian targets in the area of Lukavica, Rijeka, and Klokotnica. Several civilians were wounded in these attacks." He says that "one interesting thing is that the Chetniks have recently been firing Russian-made 57-mm missiles."

Reporting from Gracanica, Izudin Durakovic says that "early this morning the Serb aggressor launched a fierce artillery attack on the defense positions of the 109th Doboj Brigade, and the civilian targets of Klokotnica, Lukavica, (Sanic Rijeka), and Hodzici. The attacks continued during the day. The Chetniks attempted several infantry breakthroughs in the region of Mujanov Mezar, but without much success." As for Gracanica, he says that "the Chetniks fired with tanks, howitzers, and cannons at the defense positions of the 111th Gracanica Brigade; then they pounded Lukavica, and (Lukavica Rijeka) with artillery."

Smajl Terzic reports from the operative zone of the 7-South Operative Group that "this afternoon new armored-mechanized units were spotted in the region of (?Smajevac), which indicates that the aggressor is preparing new artillery and infantry attacks. One should add this: Today the enemy continuously pounded Jelah, Tesanjka, Matuzici, and Alibegovci for five hours, and there are dozens of casualties."

As for Sarajevo, the Bosnia-Herzegovina Army 1st Corps Press Center reports that "a sniper from Faletic is firing at Grusulje, and an anti-aircraft machine gun is firing from Gradina at Hodivode."

Serbs Report Attacks by Muslims, Croats

LD1804151894 Belgrade TANJUG in English 1459
GMT 18 Apr 94

[Text] Zvornik, April 18 (TANJUG)—The Moslem offensive on Serb positions continued in all fronts in Bosnia-Herzegovina, as did the attacks from Gorazde despite the agreement on the immediate ceasefire in this Moslem enclave which came into force on Sunday at 5:00 P.M. local time.

Bosnian Serb military sources said on Monday that the strongest Moslem actions were in the region of Doboj, Teslic, Gradacac and Mts. Trebava and Ozren (northern Bosnia) and in the region of Vlasic, Komar and Srbobran (central Bosnia).

Serb-held Doboj is under continual Moslem artillery shelling which wounded three civilians during Sunday night.

The continuation of the Moslem offensive on the Bosnian Serb republic (RS) is an attempt to provoke a Serb response, blame them for the attacks and thus cause new NATO air strikes, the Bosnian Serb military sources said.

They warned that the Serb troops would use their legitimate right to self-defence and respond to all attacks by using all means.

The sources recalled that the Serb side continually urges a ceasefire in the entire Bosnian territory and the application of political means, rather than war, to search for solutions, but that the Moslem leadership persistently refuses this.

According to the Bosnian Serb military sources, fresh troops of the regular Croatian Army are massing along the left bank of the Sava river, towards Posavina (northern RS).

The Croatian artillery is shelling Serb positions, also under attack by the Moslems from the south, with the aim of severing the corridor through Posavina which links the eastern and western parts of RS.

In the region of Sarajevo, the Moslems are continuing provocations and engineering work close to the Serb

positions, all before the very eyes of the U.N. troops, the Bosnian Serb military sources said.

The sources describe as inadmissible the recent withdrawal of UNPROFOR from their positions in the Bjelasnica and Igman mountains, near Sarajevo, which the Serbs handed over to the peacekeepers last spring.

Since the Moslem troops siezed the U.N. positions after their pullout, it has become clear that in question is a joint synchronized action, the Bosnian Serb sources pointed out.

They said that the U.N. Protection Force is not stopping the Moslems from using a tunnel beneath the Sarajevo airport to leave the city for Hrasnica and Mt. Igman.

The aim of these operations, in which the U.N. troops are taking part, either directly or indirectly, is to try to link the Moslem forces with the Gorazde region via Rogoj, central Bosnia.

Commentary Calls on Nation To Defend Itself

AU1804153694 Sarajevo Radio Bosnia-Herzegovina
Network in Serbo-Croatian 1300 GMT 18 Apr 94

[Asim Gruhonjic commentary]

[Text] We should repeat aloud and remember well the brutal reality expressed in the words of Reis ul ulema Mustafa Cerić yesterday. He said that the world had legalized the public crime committed against us, the Bosniak Muslims, and only because we are preserving our Islamic Bosniak identity and because we are defending our homeland.

What we must do now can be found only in ourselves and around us, and we must finally understand that. Let us repeat: No United States, no England, no France is going to help us unless we help ourselves. The brave Gorazde people must know that help is not forthcoming. The world does not give a damn about our suffering and our cries. Everything that we have achieved so far has been achieved with our own strength and the courage of our fighters. That is the only way in which Gorazde can and must be defended. Now Gorazde needs iron discipline and decisiveness. Everything must be subjugated to the defense of the town, without which there is no life.

Let us remember: We do not face an ordinary enemy. We are facing a criminal movement that has been launched to destroy us, to annihilate us. The world is watching that. Our country will have to be more decisive and more determined in mobilizing all those who can and must help. We must particularly be decisive toward the part of the younger people who have managed to avoid [words indistinct]. Every working place has to be examined through the effects of the work, and where the effects are not good, we have to place people where they can and must contribute the most. We are in a brutal defensive war in which our defeat means our death. We have to remove decisively all those incompetent from places of

authority. That is why any broadcasting of the thoughts and statements by prominent world leaders has also to be subjugated to that aim only, and avoid everything that sows illusions and feeds idle hope. One of these is the recent statement by the foreign minister of Russia, the country that is in essence anti-Bosniak, the country that has been aiding Milosevic's fascist conquering policy. Can these people wish us well? Whether this indifference of the world is the result of the accord reached by the world powers, there is no point in guessing. We have no use for empty talk. There is no point in blaming the UN Protection Forces [UNPROFOR], since we know that the UNPROFOR headquarters are somewhere far away, in Washington, New York, or London.

The only correct solution is to mobilize everything we have, all our forces in the struggle for liberation. All those who play games with the fate of their people and their state, and behave [word indistinct] or in a self-centered way, they have to be removed from their posts. Betrayal and the call on betrayal must be punished severely. What do you think England did in World War II? Will we finally come to our senses?

As for Gorazde, let us repeat, it will endure for as long as it finds the strength to adjust to the imposed brutal situation. The situation in Gorazde is literally in the hands of the citizens of Gorazde. The republic will continue to work—and work even harder—on waking at least a bit the conscientiousness of the world. One however should not have any illusions here. Everything is in our hands and the hands of the Lord.

Commentary Sees Mladic's 'Glory' Fading

AU1804145394 Ljubljana OSLOBODJENJE (European Edition) in Serbo-Croatian 8-15 Apr 94 p 1

[Commentary by Gojko Beric: "Has-Been General"]

[Text] Where is General Ratko Mladic, the greatest murderer in the history of Bosnia? It is common knowledge that he is always at the scene of the most fierce shelling of Bosnian besieged towns. Consequently, he could now be somewhere near Gorazde. However, General Mladic no longer takes part in any negotiations. He cannot be seen on SRNA either, where he used to appear every couple of days playing the role of the main military strategist—the one to approve every move. He was the crucial man when the self-styled Serbian assembly decided to reject the Geneva peace accord, when Milosevic, Cosic, and Mitsotakis returned from Pale and suffered a severe loss of face.

The last media promotion of the Chetnik general in Belgrade was more than a month ago in NIN. In a long interview for this weekly magazine, he presented his vision of the war in Bosnia and said General Kukanjac was to blame for the failure in the operation of seizing Sarajevo. Mladic has not appeared in public since then. Several days ago, a Belgrade RFI correspondent reported that there were rumors about Mladic's dismissal, but that Karadzic still did not dare do it, for his most famous general "still has a good reputation on the front lines."

A certain mysteriousness regarding the position of Mladic on Karadzic's hierarchical ranking is a choice bit of dirt for masters of speculative journalism. However, all things considered, this could be a matter for serious analysts as well. General Ratko Mladic is a war criminal—that is a fact. The Helsinki Watch, leading international organization for monitoring the state of human rights, also holds that view. But that is not the reason behind Mladic's possible sinking, for Radovan Karadzic is also on the list of war criminals of the Helsinki Watch. The underlying cause of his conflict with Mladic is something completely different.

Last summer, after the Igman operation, Mladic was at his peak. He intended to conquer Sarajevo and wanted to become a Serb Napoleon, so Milosevic's generals feared him. Even Karadzic feared him, but could not even dream of depriving himself of his services. After the battle for Teocak, where he was heavily defeated, Mladic's military glory started to fade. He did not do too well in the offensive against Olovo either, and was forced to withdraw from almost 20 km long front line near Maglaj. Mladic then set out to conquer Bihac, but did not manage to improve his rating there. Karadzic used the series of Mladic's failures—surely not without Milosevic's blessing—to move the pugnacious general as far away from himself as possible.

Their final act of revenge is yet to come. For the time being, the conflict is just one of the signals that the Pale brethren are not even remotely as unanimous as they used to be. They ran out of cheap human material for continuing the war. True to its fascination of Serb patriotism, SRNA has recently broadcast a scene of recruitment of 18-year-olds. We saw confused and nervous young men whom Karadzic intended to send to war. And 13- or 14-year-olds will go next. Watching the program on SRNA, we were reminded of the famous picture of Hitler pinching the cheeks of German boys sending them to their deaths in the suburbs of Berlin, just a few days before he committed suicide in his bunker.

Tudjman on Relations With Bosnia, Serbia

LD1804210194 Zagreb Radio Croatia Network in Serbo-Croatian 2000 GMT 18 Apr 94

[Text] Croatia's President Franjo Tudjman today granted an interview to a British publicist, Sir Fitzroy McLean, to be broadcast on Dutch television, regarding affairs in southeastern Europe and the history of relations between nations in the former Yugoslavia.

Commenting on the situation in Bosnia-Herzegovina, President Tudjman stressed that, through the Washington agreement on the Bosnia-Herzegovina federation and its confederation with the Republic of Croatia, Croatian and Muslim interests have been harmonized with the interests of the Republic of Croatia and those of the Western world that wanted to link Muslims with Western civilization.

Speaking about relations between Croatia and Serbia, the Croatian president said that the mutual recognition will create the basis for peace and the establishment of a new international order in that part of Europe. He also said that the area of the Balkans should undergo a process of Scandinavization, recalling that the Scandinavian states recognized each other after years of being at war, then cooperated with each other, and successfully resolved the question of protecting minorities' rights.

Foreign Minister Granic Meets With Redman

LD1804225694 Zagreb HTV Television in Serbo-Croatian 2130 GMT 18 Apr 94

[Text] Croatian Foreign Minister Mate Granic this evening received special UN envoy Charles Redman. Following the talks Charles Redman stated that the United States has very close and good cooperation with the Croatian Government:

[Begin Redman recording in English with superimposed Serbo-Croatian translation] On this occasion I am staying in Croatia just very briefly, on my way from Sarajevo to Washington. Some very important decisions ought to be reached as regards what we can do in order to strengthen the UN role in Bosnia.

At the same time, nobody will forget that we ought to work on some very important issues here in Croatia. We have made significant progress, but we still need to do more, and I hope that my meeting and talks with Minister Granic will strengthen this process and achieve progress in the right direction. We are both pleased with the progress that has been achieved in the past months. On behalf of the United States, I would like to say that it is our intention to stay in close touch with the Croatian Government so that this process should proceed further. [end recording]

Croatian Foreign Minister Mate Granic said that one of the main issues discussed in talks with the special U.S. envoy was the current situation in Bosnia-Herzegovina:

[Begin Granic recording] We discussed the situation in Bosnia-Herzegovina, in particular [word indistinct] Gorazde, progress reached in talks between the Croats and the Bosniaks regarding setting up the federation of Bosnia-Herzegovina, and the situation in UN protected areas, the latest behavior displayed by the Serbs in the UN protected areas and in Bosnia-Herzegovina, and the possible U.S. and UN moves. [end recording]

Voices Concern Over Bosnia

LD1804182494 Zagreb HTV Television in Serbo-Croatian 1730 GMT 18 Apr 94

[Text] The Republic of Croatia is deeply concerned over the developments in eastern Bosnia, particularly around Gorazde and other safety zones in that part of our neighboring country, Mate Granic, Croatian deputy prime minister and minister of foreign affairs, has told HINA.

The developments in eastern Bosnia, i.e., the looming humanitarian catastrophe in Gorazde, undoubtedly represent a violation of all UN Security Council resolutions regarding the status of that area and require a very clear, unequivocal, and effective response by the international community as its credibility is at stake, Minister Granic says.

Apart from witnessing the tragedy of Gorazde, we are also witnessing several very worrying developments clearly directed against the attainment of peace in the republics of Croatia and Bosnia-Herzegovina: In Baranja, repeated cases of seizure of heavy weapons which had been placed under UN Protection Forces [UNPROFOR] control in accordance with the so-called Zagreb agreement; threats by Serb General Manojlo Milovanovic that units of Karadzic's army of the Srpska republic will attack targets on the territory of the Republic of Croatia by all available means, including missiles; the continuation of ethnic cleansing in Prijedor and Banja Luka; the continuation of the Serb offensives against Brcko, Orasje, Usora, Bihac, and Tuzla; the arrest of a dozen UNPROFOR members; and the closure of humanitarian corridors in Bosnia-Herzegovina.

It is therefore necessary, Minister Granic said, that at this moment the international community should not only continue and persist in relaunching negotiations in good faith and in searching for a generally acceptable and permanent political solution, but also in every separate case, it should use all legal means, including all the forms of the use of force, as laid down by the UN Security Council, to express its consistent resolve not to allow the violation of international norms and UN resolutions and also of the defined principles and the framework for the resolution of the crisis in this part of Europe.

Prime Minister Meets With FRY Official

LD1504175394 Zagreb Radio Croatia Network in Serbo-Croatian 1500 GMT 15 Apr 94

[Text] Croatian Prime Minister Nikica Valentic received today Veijko Knezevic, head of the Zagreb-based Bureau of the Federal Republic of Yugoslavia, who delivered a letter of introduction from Yugoslav Prime Minister Radoje Kontic.

Valentic stressed that the Croatian Government was aware of its historic responsibility, stressing that all problems in former Yugoslavia could be solved only through negotiations. Valentic stressed that there is no alternative to negotiations, through which a settlement in the interest of both Croatia and Yugoslavia and of the Croatian and the Serb nations ought to be attained. He added that the return of refugees was of particular importance to Croatia.

We should proceed step by step in negotiations. A final settlement cannot be reached immediately, Valentic said, recalling that Croatia would never agree to ceding any part of its territory. The Croatian prime minister also stressed that his government would help the work of the Bureau of the Federal Republic of Yugoslavia in Zagreb to a maximum degree.

Knezevic said that the opening of the Bureau of the Federal Republic of Yugoslavia in Zagreb and the Office of the Republic of Croatia in Belgrade was an initial step in the normalization of relations. He also expressed the hope that Croatian Foreign Minister Mate Granic and his Yugoslav counterpart Zeljko Simic would meet soon.

In response, Valentic said that certain conditions would have to be created first, one of which was the reopening of the Zagreb-Belgrade highway. Granic would travel to Belgrade on this highway. He asked Knezevic to use his influence through the Yugoslav Government so that the Serbs in Knin would continue talks with Croatian Government representatives. The Croatian prime minister reiterated a firm view that negotiations could be held only on the territory of the Republic of Croatia and nowhere else.

The head of the Bureau of the Federal Republic of Yugoslavia in Croatia expressed his pleasure over the way he was received in Zagreb and over the working conditions, adding that the public in his country was very interested in the gradual normalization of relations with Croatia. Knezevic relayed his government's stance that Yugoslavia had no territorial claims to any part of the former Socialist Federal Republic of Yugoslavia, outside the present-day Federal Republic of Yugoslavia. He also added that the Federal Republic of Yugoslavia would agree with all the solutions achieved in Bosnia-Herzegovina and Croatia on the basis of negotiations and in a peaceful way.

RSK, Croatia Sign Separation Agreement

AU1804193294 Belgrade RTB Television Network in Serbo-Croatian 1730 GMT 18 Apr 94

[Report by Djordje Gajdosevic]

[Text] [Begin recording] [Gajdosevic] An agreement on separation and creation of a buffer zone between the republic of Serbian Krajina [RSK] and Croatia in the part of the territory controlled by the Slavonija-Baranja Corps has been signed on the premises of UN Protection Forces [UNPROFOR] in Nemetin today. The UNPROFOR representatives have established that heavy arms had been withdrawn to the appropriate distance and that there were no obstacles to the functioning of the agreement signed in Zagreb.

[Dusan Loncar, general in the Serbian army of the Krajina] In a military and tactical sense, by withdrawing to a distance of 1.5 km in some places, we have primarily safeguarded the safety of our residents, so that nobody within the reach of the infantry arms would be endangered, which does not mean that a sort of demobilization is starting now. On the contrary. The basic stance of all officers and members of the Slavonija-Baranja Corps is that we must continue strengthening our combat readiness.

[Gajdosevic] The UNPROFOR representatives did not hide their satisfaction over the signing of the agreement, emphasizing that their task is not over yet.

[Vim Van Dyke, commander of Sector East, in English with superimposed translation] UNPROFOR in the Sector East is ready to help the sides in the implementation of the agreement.

[Gajdosevic] The representatives of the Serbian army of the republic of Serbian Krajina emphasized that the village of Mirkovici is mostly under the control of the army of the republic of Serbian Krajina.

[Vojislav Stojkovic, colonel in the Serbian Army of Krajina] One of the most difficult and most controversial points in the zone of responsibility of the Slavonija-Baranja Corps was precisely Mirkovici. I think that through these talks we have succeeded to resolve this issue and, therefore, the separating line will not be such as drawn in Annex D of the cease-fire agreement, signed in Zagreb on 29 March, but will be considerably more favorable for the residents of Mirkovci.

[Gajdosevic] The Serbian village of Karadzicevo has ended up in the so-called security zone. However, it is emphasized here that the Serbian people will be safe. Beside UNPROFOR, 75 of our policemen will take care of them, while the army of the republic of Serbian Krajina will be 1 km away. [end recording]

RSK President Views Relations With Croatia

LD1802121794 Belgrade TANJUG Domestic Service in Serbo-Croatian 1051 GMT 18 Feb 94

[Excerpt] Belgrade, 18 Feb (TANJUG)—Milan Martić, president of the republic of Serb Krajina [RSK], in an interview for today's NIN weekly, stated that he "is not opposed to the normalization of relations between the Republic of Croatia and Yugoslavia."

Martić has nothing against "the normalization of relations between the republic of Serb Krajina and the Republic of Croatia in the foreseeable future," either.

For the normalization of relations between Krajina and Croatia, Martić stressed, it is necessary to establish permanent peace; to this end Croatia should stop its continuous attacks on the republic of Serb Krajina. "It has to give up resolving its frustrations by force," he said.

He said that he is "a pessimist when it comes to the present political leadership of Croatia and their real intentions."

Martić stressed that Veljko Knežević, head of the Yugoslav bureau in Zagreb, has "connections with Krajina only through relatives," and that "if this mission brings about transition from the war option to the political option, we in Krajina will welcome it."

The president of the republic of Serb Krajina stresses that he does not believe in the serious intentions of official Croatian policy, the aim of which, as far as the opening of the Yugoslav bureau in Zagreb is concerned, according to Martić, is to "create a picture in the Croatian public that Krajina will in that way be reintegrated into Croatia."

According to Martić, Serbian President Slobodan Milošević "in the light of his past achievements and what he has done for the Serb people," is the number one person for the post of president of all the Serbs, once all Serb lands unite. [passage omitted]

RSK Prime Minister Appoints Ministers

AU1804155194 Belgrade Radio Beograd Network in Serbo-Croatian 1432 GMT 18 Apr 94

[Interview with Borislav Mikelić, prime minister-designate of the republic of Serbian Krajina, by Zivojin Jerotijević; in Belgrade—live]

[Excerpts] [Jerotijević] Mr. Mikelić, since we know that you are in a hurry tell us briefly what solutions do you have in store as prime minister-designate?

[Mikelić] After three months, since the second round of elections in the republic of Serbian Krajina [RSK] and a little over a month since I have been appointed the prime minister-designate of the republic of Serbian Krajina, now on the eve of the assembly session which will take place on 20 April, we have found possibilities to form the

government of national unity for which I have been striving from the very beginning. I must say that really a lot of effort and patience has been invested to coordinate views. [passage omitted]

I am glad that Dr. Babić has risen above the signing of the parliamentary coalition and agreed to the formation of the government of national unity. This means that he has placed the national interest and the interest of the people above the advantages of a parliamentary coalition. We have coordinated the approach toward the formation of the government of national unity entirely, be it regarding the ministries or personnel fine-tuning. What is probably the most important for the listeners of Radio Belgrade and Argument Vise [Argument More] program is that I have accomplished full accord on all issues with [word indistinct] Krajina, that is to say, Dr. Milan Babić. [passage omitted]

To point out some of the names, I can say that Dr. Milan Babić will be foreign minister, Ilija Price interior minister, and Dr. Rade Tanjga defense minister, while Dr. Branko Petrović will be economics minister. [Words indistinct] for me to enumerate them here.

[Jerotijević] In any case, thanks a lot. The listeners of Argument Vise program had the opportunity to hear the first, at least, of some of the names of ministers, that is to say, the names of the ministers that seem to be the most important. Have a good trip, Mr. Mikelić.

[Mikelić] Thank you!

Potential Strength of Confederation Viewed

AU1504092494 Zagreb GLOBUS in Serbo-Croatian 25 Mar 94 pp 8-9

[Article by Karlo Jeger: "The Confederation Will Be a Balkan Superpower: It Will Build Ships, Manufacture Guns, Tanks, and Aircraft!"]

[Text] The joint military industry of the confederation of the Republic of Croatia and the Republic of Bosnia-Herzegovina will surpass the Serbian one in a matter of five years!

The formidable military potential of the former Yugoslav People's Army [JNA] is what gave the Serbian conquest its main strength. However, the Serbs also had supremacy because of the military industry in areas under Serb control.

On the other hand, after the outbreak of Croat-Muslim conflicts, parts of the military industry that remained under the control of the Croatian Defense Council [HVO] and the Bosnia-Herzegovina Army were scattered and dissociated, severed from sources of energy and raw materials. Just how much the Serbs fear the possibility of these potentials being linked into a unified technological process is evident from the fact that they, after the first hints of Croat-Muslim unification, carried

out an air raid on the largest gun factory in the former Yugoslavia—Bratstvo in Novi Travnik.

Overhaul of Supersonic Aircraft

At the same time, the Bosnian-Croatian agreement opens the possibility of launching an enviable military industry.

Prior to the war, Croatia had almost no military industry with the exception of shipbuilding. Here we need to mention the Skorpik Repair Plant in Sibenik, the well-known large shipyards in Split, Rijeka, Pula, and the Shipbuilding Institute [Brodarski institut]. Although it will not be possible to manufacture a missile launcher or submarine in the near future, it will nevertheless be possible to manufacture smaller vessels. Although very little is known and virtually nothing is said in the public about this topic, it has nevertheless been announced that Croatia has long since mastered the manufacture of weapons in garages and workshops.

According to officially published data, the manufacture of small arms includes the industrial manufacture of hand guns (PHP—Prvi hrvatski pistolj [the first Croatian hand gun] similar to the Walther), sniper rifles (12.7 mm, 7.9 mm, and a third variant of NATO caliber), and machine guns, copies of the Israeli Uzi. The Pleter, Sokac, and Zagi were experimental projects. A superior variant of the Kalashnikov, similar to the Israeli 7.62 mm (?Ghalib), is also manufactured. Moreover, also in production are several types of mines and explosives, mortars of all calibers with the appropriate and even very advanced shells, recoilless guns and shells, as well as light portable anti-aircraft systems.

The achieved level of production guarantees the successful mastering of the manufacture of other infantry automatic and semi-automatic weapons. Hand grenades are also manufactured....

Infantry land mines [lezece mine] (20 types) are also being produced.

The repair of supersonic aircraft and engines has been revived very quickly. The same applies to the repair of guns and howitzers.

However, the largest, already installed and internationally renowned munitions plants of the possible future confederation are in Bosnia-Herzegovina.

The HVO in Vitez controls perhaps the largest European plant manufacturing gunpowder, jet fuel [rakatno gorivo], and explosives. The Osa project, for which the problem was jet fuel, has become a reality after the liberation of Vitez. The production of high-quality jet fuel for all types and calibers of multiple rocket launchers, gunpowder for all types of artillery, and all types of explosives can resume immediately in the untouched factory halls of the Vitez plant. Even prior to the Croat-Muslim conflicts, the production of gunpowder for infantry weapons had been mastered in

Vitez.... The installation for the production of jet fuel for long-range Orkan missiles alone has the capacity of 2,000 pieces per year.

A Plant Worth \$1 Billion

When the HVO took over the plant, some 4,000 finished missile charges, which should have been shipped to Iraq, were still in the warehouse!

The value of the Vitez plant is estimated to be \$1 billion. Moreover, conserved within the plant perimeter, as a war reserve, is a completely usable older version of a technology line for the production of gunpowder, which can be assembled quickly.

It is certain that the Serbs will not be able to achieve the technological level of the Vitez plant for a very long time.

The HVO also controls the former Soko aircraft plant in Mostar. Although the Serbs have rescued a part of the equipment, with certain investments the plant could be renewed, if not for the manufacture of whole aircraft, then for at least the manufacture of parts for large international companies and high-quality repair of aircraft. In addition to that, large amounts of parts from which aircraft could be assembled have remained in warehouses throughout Bosnia-Herzegovina (in Busovaca, near Tuzla....). Moreover, there is a significant amount of missiles in storage in Bosnia-Herzegovina that the Bosnia-Herzegovina Army could not use. They are air-to-surface missiles (Munja RZ-57).

The largest plant for the manufacture of guns and multiple rocket launchers on the territory of the former Yugoslavia is in Novi Travnik, under the control of the Bosnia-Herzegovina Army. The RAK-12, a copy of the Plamen, is manufactured in Croatia. Apart from repairs of all types of artillery, the Novi Travnik plant used to manufacture guns and howitzers of all calibers, from the 75-mm hill gun to the 155-mm howitzer. In preparation for the manufacture of Kolos, equipment was installed for the manufacture of 203-mm gun barrels. All types of mortars and mortar shells were also manufactured. It needs to be said that the manufacture of barrels is very important, since they are being mercilessly used, and it is known they become worn down through wear and tear. Mortars and mortar shells are manufactured in Sarajevo, Tuzla, and Tesanj.

The Bosnia-Herzegovina Army also controls a large repair plant for infantry weapons.

The Slavko Rodic plant from Bugojno, currently under Serb attack, manufactures all types of detonators, both for artillery and aircraft weaponry. Although the Serbs have also developed a plant for manufacturing detonators in Valjevo, they do not have the capacity for manufacturing the most modern radio detonators. Orkan missiles, which landed on Jastrebarsko [village in the vicinity of Zagreb], were equipped with the poorer

variant of electronic detonators manufactured in Krusik in Valjevo, unlike the ones manufactured in Slavko Rodic in Bugojno.

Ammunition for NATO

In Konjic, in the vicinity of the underground command headquarters built for the former Presidency of the Socialist Federal Republic of Yugoslavia and the JNA General Staff, dug deep into the ground is the Igman plant, which manufactures ammunition. The technology of the plant is superior to that of its twin, the Prvi Partizan Munitions Plant in Uzice, and it has the capacity to manufacture several million pieces per month. The fact that this plant used to manufacture ammunition for NATO speaks for its quality. It manufactures all types of ammunition up to 12.7-mm caliber. By using old shells, the ironworks in Zenica has begun manufacturing ammunition of 105-mm and 122-mm caliber.... There is a possibility that, by using barrels from the one-time JNA warehouses, the Muslims in Novi Travnik have managed to manufacture a Kalashnikov.

In Gorazde, there is a plant that manufactures cartridges, the only significant segment of the military industry that did not have a twin in Serbia. In Vitkovici near Gorazde, there is a chemical plant that manufactures substances for the manufacture of explosives.

If to this we add the former assembly line for assembling tanks in Slavonski Brod, the potential of the future confederal military industry will be enviable!

The Zenica ironworks can manufacture tin for armor and can manufacture the cupola, while the engine can be bought. However, it is even more important that it can produce fast armored vehicles....

All the Plants in Serbia

A significant amount of documents of the UNIS Institute for special purposes production has remained in Sarajevo under the control of the Bosniaks and Croats. Unfortunately, the Serbs completely destroyed the Zrak plant in Sarajevo, which specialized in the manufacture of sights.

The military industry of the former JNA was designed in such a way that it could produce arms and all the material necessary for the "national defense," completely independently and in total isolation. Almost all the plants of the military industry were located in the central mountain areas of the former joint country. Such distribution was justified by the strategic needs of conducting a national defense war, but at the same time Serbia became completely independent and autonomous in manufacturing arms, whereas the other republics were put in a position of technological and production dependence on each other.

For example, plastic ramps for rocket launchers and engines were manufactured at Kamnik in Slovenia, the

gunpowder came from Vitez, sights from Sarajevo, rockets from Vogosce.... The final assembly was done in Prilep in Macedonia.

The explosives plant Slobodan Princip-Seljo in Vitez had developed a technology for manufacturing plastic explosives, but then the entire plant was transferred to Ivangrad in Montenegro. Until 1992, its integral capacity exceeded the requirements of the rump "Yugoslavia" by four times. At the same time, the former federal army built parallel plants on the territory of Serbia and Montenegro wherever it was possible.

For example, the "twin" of the Vitez Gunpowder and Explosives Plant was the Prva iskra plant in Barici in Serbia; the twin of the aircraft plant Soko in Mostar is Utva in Pancevo; the Slavko Rodic detonator plant in Bugojno has a twin in Krusik in Valjevo; the Konjic ammunition plant's twin is Prvi partizan in Uzice; the pyrotechnics plant in Gorazde has two twins: Krusik in Valjevo and Sloboda in Cacak. The FAMOS engine plant in Sarajevo also had two twins: the Engine Industry [Industrija motora] in Rakovica near Belgrade and FAP in Priboj.

The Zrak plant in Sarajevo, which manufactured sights, had a twin in the Teleoptik plant in Belgrade.

The Military Medical Academy [VMA] in Banjica [Belgrade district] dealt with all aspects of military medicine—development of medical care, surgery in war, and protection from nuclear, chemical, and biological arms.

All these institutions were equipped with the most sophisticated equipment and technology. The centrifuge at Batajnica [military airport near Belgrade], for studying pilots' behavior under extremely hard flight conditions, alone cost over \$1 million.

Prototypes manufactured under license, as well as those manufactured in industrial plants at home, and imported weapons, were also tested near Belgrade—in the Air Force Center for Experiments [Vazduhoplovni opitni centar] in Batajnica, and the Infantry Center for Experiments [Opitni centar kopnene vojske] in Nikinci in Srijem. Moreover, there was a Technical Center for Experiments [Tehnicky opitni centar] on Prevlaka, from which the Serbs managed to withdraw the equipment and transfer it to the Montenegrin side.

The Supersonic Aircraft—Out of the Question!

The restructuring of the military-industrial complex of the remainder of Yugoslavia began in the summer of 1992. However, despite being almost fully equipped in terms of technology, the Serbs still have not managed to renew the manufacture of all types of weaponry.

The manufacture of the Orao [Eagle] aircraft has been cut short and is no longer mentioned. There can be no question of developing the new supersonic aircraft. That task proved to be too hard even for the entire military

industry of the former Yugoslavia, and it is too hard for the present Serbian industry.

The manufacture of Gazelle SA-341/24L helicopters also has not been revived, that used to be manufactured on French license in Mostar. Informed sources claim that the Serbs cannot even master the overhaul of a MiG-21, which used to be done in Velika Gorica, despite the fact that they have taken with them the greater part of the machinery and special tools, completed new assembly halls in Pancevo that measure three kilometers, and constructed a new runway adjacent to the plant....

Almost all of the internationally renowned engineers and craftsmen from Soko, who, apart from fulfilling the requirements of the former army also worked for major international aircraft corporations like Boeing, Airbus, Dornier.... have remained behind in Mostar. The same happened in the case of the Velika Gorica Repair Plant [Remontni zavod].

On the other hand, the greatest achievement of the Utva [Wild Duck] aircraft plant in Pancevo was the manufacture of light propeller planes Utva-75. The serial production of the propeller-powered Lasta [Swallow] training aircraft never even got off the ground in Pancevo. Moreover, there can be no talk of an independent serial production of jet planes for as long as the sanctions are in place.

The Serbs did not even try to revive production for navy requirements. Even the existing vessels in Boka are under a thick layer of rust.

Vessels Under Thick Layers of Rust

In addition to the plants for infantry requirements that were already on their territory prior to the outbreak of war, the Serbs have managed to replace the plants they lost in Bosnia-Herzegovina. The majority of the Serbian military industry is located along the East and West Morava Rivers, and in Belgrade, while another part is in Bosnia under the control of Karadzic's forces.

The Crvena Zastava Institute [Zavodi Crvena zastava] from Kragujevac is the strongest point of the Serbian military industry. All types of infantry weapons and anti-aircraft guns up to 40-mm caliber are manufactured there. The latest of their products are the 9-mm hand gun (the production of which has been transferred to the SARID 13 plant in Smederevo), a 12.7-mm sniper rifle, and a 40-mm infantry grenade launcher.

Also manufactured there is the Kragujevac automatic rifle, fashioned on license after the Russian AK-47, which the Croatian soldiers have named "ciganka" [gypsy].

Krusik from Valjevo manufactures all types of light armor-piercing missile systems, and the licensed guided armor-piercing missiles AT-2 and AT-3. They are also planning to manufacture an AT-4. Prior to the war, they

also manufactured Strela-2M, a light portable anti-aircraft system, and preparations were underway for the licensed production of the Igla, another light anti-aircraft system.

Moreover, guided 128 mm air-to-surface Munja missiles and 57-mm BR-1 missiles are manufactured in Valjevo.

The Serbs Have Run Out of Money!

According to unconfirmed information, rockets for the Plamen, Oganj, and Orkan multiple rocket launchers are also manufactured in Valjevo.

All types of infantry ammunition is manufactured in the Prvi Partizan plant in Lucani near Cacak, while gunpowder for infantry ammunition is produced in the Milan Blagojevic plant. The main manufacturer of jet fuel is Prva Iskra from Baric.

The strongest Serbian munitions plant in Bosnia is in the UNIS complex in Vogosca, where all types and calibers of artillery ammunition are produced.

According to foreign sources, the Serbs have managed to revive the production and repair of 100-mm and 125-mm tank guns, and repair of all other types of artillery pieces.

In a recent brief statement issued by the Supreme Council of National Defense, it was stated that the army would only finance priority projects that are of vital significance for the defense of the country, and salaries and pensions of officers. All investments and new projects will be discontinued. The recent strike of the workers from the Crvena zastava plant implies that Milosevic's promise that the Kragujevac plant would work, if need be, in three shifts, is going to be very difficult to fulfill.

Toward the end of 1993, the entire Serbian industrial production dropped to some 30 percent of its pre-war level. Half of this production was military production for the purpose of keeping the conquered territories in Croatia and Bosnia-Herzegovina.

Pitiful salaries, insufficient for even bare survival, have led to a massive departure of the highly qualified cadres, who primarily moved overseas. The people with a technical education were joined by experts from numerous military technical institutes and plants.

The second important point is a standstill in the development of almost finished projects, and an end of investments into new weapons' technology. Serbia simply no longer has any money for this.

The substantial military-technical documentation, stored in Belgrade, will simply become outdated. The immense knowledge in the field of production of arms and military hardware, paid for with the money from all the republics of the former Yugoslavia, will become completely useless.

Issue of Early Elections, HDZ 'Moles'

94BA0239A Zagreb *DANAS* in Serbo-Croatian
22 Mar 94 p 23

[Article by Damir Jurisic: "Moles, Agents, and Provocateurs"]

[Text] Is the Republic of Croatia facing early elections, as Tihomil Radja, vice president of the HSS [Croatian Peasant Party], has asserted in *VECERNJI LIST*? This is a question which has another two more important ones in the background: Who in the government is thinking of organizing those elections and to what purpose? Aside from that, Radja's assertion about a "mentor" from the government who ordered a split in the HSS is the finale of these 12 months since the election, during which most of Croatia's parliamentary parties—from the HSP [Croatian Rights Party], DA [Dalmatian Action], SDH [Social Democrats of Croatia], IDS [Istrian Democratic Conference] to the HSS—have been less concerned with politics and more with hunting "moles" and "agents provocateurs of the HDZ [Croatian Democratic Union]" in their own ranks. Which gives rise to a new question: If the stories about the moles are accurate, who in the HDZ planted them, the soft line or the hard line?

Finally, are there moles even in the very top leadership of the HDZ? We might well ask ourselves following the public statements by Stipe Mesic, president of the Sabor [Croatian Assembly], and Josip Manolic, president of the Chamber of Zupanijas. Mesic has not only displayed a lack of party discipline by refusing—say well-informed sources—Dr. Tudjman's request that he submit his resignation, but has confused the public with his statement in *GLOBUS* that many decisions in Croatia are being made by the "force of authority, not by force of law" and that some of the members of the HDZ have taken over the "bolshhevik model of thought and political behavior." He had something equally important to say in *SLOBODNA DALMACIJA* to the effect that the Washington agreement is a victory for the original HDZ, and a defeat for the "current which favored war."

Continuity or Change of Direction

At just about the same time, Josip Manolic in *FERAL* was calling upon Gojko Susak, defense minister, to take responsibility and resign because of the Muslim-Croatian conflict, and indirectly President Tudjman himself for the erroneously chosen policy of the HDZ, and thereby also that of the Croatian state, toward Bosnia and Herzegovina. Manolic, say sources close to the top leadership of the HDZ, also broke with party discipline and violated the decision to interpret the signing of the Washington agreement as expressive of the continuity of HDZ policy, rather than as a change of direction.

Can the policy of the state be conducted without exchanges of fire between responsible statesmen along party lines, especially in decisive moments, the citizen-voters are wondering and remaining confused as to

whether Mesic, Manolic, and the president of the HSLS [Croatian Social Liberal Party] are on the same line? And why now? As Drazen Budisa says in *GLOBUS*, it should be explained to every one of our citizens that the opposition has been in favor of an integral Bosnia and Herzegovina from the beginning. Is not Zdravko Tomac of the SDP [Social Democratic Party] more sober and wiser when he warns in *NEDELJNA DALMACIJA* that this is the time for the highest degree of Croatian concord, that everything should be subordinated to reestablishment of Croatian authority over the entire territory, that maturity should be shown, and there should be no rejoicing when leaders of the HDZ interpret the new decisions as proof of the correctness of their Croatian policy conducted toward Bosnia and Herzegovina up to now?

So, if, as the speculation runs in Zagreb political corridors, an early election to the Sabor is the objective of the Mesic and Manolic current, what is expected? The result is allegedly supposed to be a weakening of the right wing of the HDZ and, with the establishment of new coalitions among the winners, constitutional and legal changes that would restrict the authority of the president of the state to the advantage of the Sabor. Would that compel President Tudjman to listen to them, in spite of his legitimate five-year term, why would the government have to schedule new elections for president? These questions will nevertheless remain at the level of speculation, because an "early" election for the deputies in the Croatian parliament is called by—the president of the state!

So the real question is whether the president of the state wants an early election to the Sabor, and could these dissonant tones within the HDZ hurt him? What can the Mesic-Manolic "faction" do? They can capitalize on the assumed political power and influence of their parliamentary posts only to the real limits of their influence on the coercive agencies: the army, the police, and—most important in domestic political conflicts—the state treasury.

Integration and Confederation

That influence, say the well-informed, is not nearly what it would have to be to mount even a small threat to the president of the state. There is evidence that that is the case in the fact that Josip Manolic presented his argument to the public through *FERAL*. The impact is only a bit greater than if he had given the interview to *HRVATSKA LJEVICA*, whose managing editor Stipe Suvar put on the front page of the first issue (could it be an accident?) a 1946 poster of Andrija Maurovic with the caption "Long Live Election to the Constitutional Assembly, an Expression of the Statehood and Sovereignty of the People of Croatia"!!?

At the moment President Tudjman certainly has no reason to call an extraordinary parliamentary election. What is more, as the political realists suggest, there are

also not many reasons for a referendum on confederation of Croatia with the federation of Bosnia and Herzegovina. A customs union between the two countries would be sufficient for the beginning. Aside from that, although the first solicitor general, Smiljko Sokol, has said on Croatian TV that only the percentage of votes "in favor" in the referendum on confederation is important—so that it would be valid even without being conducted on the occupied parts of Croatia—the attitude of the public is summed up in the formula: first, return of what has been occupied, and then possible alliances with other states.

Notes From Croatian Press

94P20643B

[Editorial Report] The following reports on developments in the Republic of Croatia are drawn from recent issues of the Zagreb news weekly GLOBUS.

Weekly Charges Zagreb Mayor Involved in Illegal Sugar Imports

In 1992, while he was Croatian trade minister, current Zagreb Mayor Branko Miksa signed 230 permits allowing the illegal importation of 280,000 metric tons of sugar, from which "skillful merchants" earned at least \$50 million, charges GLOBUS (25 March). The weekly states that it has at its disposal "carefully concealed documents which could reveal the greatest importing scandal in the recent history of Croatia." The "Sugar Affair" created an "entire new class of rich people," GLOBUS alleges, explaining that all one needed was a bank loan to purchase, for example, 3,000 tons of sugar at \$350 per ton, import it, and resell it for a net profit of \$1 million. The Zagreb Voce enterprise began importing sugar in 12,000-ton shipments, and "a certain Robni Promet enterprise" received a permit to import 22,000 tons of sugar valued at \$7 million, GLOBUS says. Although Miksa's permits, without which the sugar could not have been imported, cite authorizations from the Croatian Economic Chamber, GLOBUS says that it has a letter from the chamber addressed to Deputy Prime Minister Vladimir Seks stating that it did not issue any such authorizations in 1992. GLOBUS further reports that in 1993, Attorney General Stjepan Herceg had publicly accused three Croatian enterprises, Sibenka, Vinoplod, and Vetit, of smuggling sugar. Not long after making these charges, Herceg was forced to submit his resignation.

Along with large, well-known enterprises that were illegally importing sugar, GLOBUS reports, hundreds of "totally unknown" small firms, some with "comic names," had also received permits to import sugar and, after importing just a few batches, disappeared. The paper publishes the names of the following firms that it says engaged in such activity: HA-ST, Vedison, West Commerce, Zenit Company, Idea MGG, Fijomi Trade, Nawa Internacional, Anik Impex, Boss Impex, Ida Komerc, Alfa Impex, HVH Trade, K.V.A.K., Sun Markt, Equus Caballus, Panex West, Teuta Trade, and Stella

Mare Commerce. Representatives of the finance police, customs office, public prosecutor's office, and trade inspectorate have discovered falsified documents and abuses by the Ministry Of trade, but the public does not know whether any of these discoveries has led to misdemeanor or criminal charges, according to GLOBUS.

In a detailed account in its 10 March issue, GLOBUS also accused Miksa of illegally importing a Mercedes-Benz vehicle for his personal use and of "defrauding the state of 35,253 German marks" by not paying customs fees and taxes.

Dismissals in Ministry of Foreign Affairs

GLOBUS reports that numerous dismissals of diplomats have occurred in the Ministry of Foreign Affairs [MIP]. In an 18 March article entitled "Why Is Dr. Mate Granic Removing His Diplomats en Masse?" the weekly reports that the first important persons to go were Vice Vukojevic, chief of the MIP's intelligence service, and Benjamin Tolic, also of the intelligence service, followed by Zeljko Bujas, ambassador to the United Kingdom, who was recalled at the beginning of 1994. "Two-and-one-half months later" Milan Ramljak replaced Ivan Brnelic in Vienna, and on 1 May Ambassador to Poland Milivoj Slavicek and Ambassador to Bulgaria Bernardo Jurlina will be replaced. Additional dismissals of ambassadors in countries that "are very important for Croatia" are planned but have been postponed due to difficulties in finding "adequate replacements," GLOBUS claims. The paper states that Tomislav Simic, MIP adviser on the international media whose "propaganda circulars to foreign journalists provoked sneers and aversion," is also scheduled to be removed. GLOBUS welcomes the changes in the MIP, saying that they are caused partly by "pressure" to remove "old cadres" from responsible positions.

Former Foreign Legionnaire Commander of New HVO Brigade

Brigadier General Zeljko Glasnovic, one of the 50 members of the French Foreign Legion who returned "to defend their country" at the beginning of the "war against Croatia," is today commander of the Ante Bruno Busic First Guard Brigade of the Croatian Defense Council [HVO] in Capljina, Herzegovina, according to the 18 March GLOBUS. The brigade is one of four that are currently being formed in Herzegovina. GLOBUS says that Glasnovic is, together with General Ante Roso, "the most significant man of the HVO." The weekly further reports that Glasnovic has been tasked with forming "the real army in the Croatian republic of Herceg-Bosna." According to a brief biography provided by the paper, Glasnovic was born in Zagreb on 24 February 1954 and moved to Canada at the age of eight. In 1974 he joined the Canadian Army and in 1988 the French Foreign Legion, as a member of which he participated in the Gulf War. To show that Glasnovic believes that the Croatian Army in Bosnia needs strict discipline,

GLOBUS cites his remark: "Look at our army! What army in the world has soldiers who wear earrings!"

Law on Invalidity of Bank Contracts

94BA0235A Split SLOBODNA DALMACIJA in
Serbo-Croatian 20 Mar 94 p 12

[Article by S.G.: "Law on Invalidity of Certain Types of Security Agreements and Loan Agreements in Effect: Managerial Loans for Those Without 'Beautiful Eyes'"]

[Text] *Under the adopted law, the beneficiary of a "beautiful eyes" type of loan is obligated to settle the unpaid value of the loan with the bank all at once.*

The Croatian Fund for Privatization expects that the Law on the Invalidity of Certain Types of Security Agreements and Loan Agreements, which went into effect about a month ago, will change the disposition structure of stock shares and their owners that is already in place.

In simplified terms, this concerns legal regulation of what are known as (arbitrary, irregular) managerial loans, so that in response to Croatian public agitation the government has reacted with legal propositions to prevent the purchase of enterprises on credit, which is generally approved, insiders say, because of "beautiful eyes."

The law expressly states that subscribed stock shares cannot serve as security to cover claims from loan agreements for the purchase of enterprises. Thus, loan agreements between banks and a physical person (primarily managers have come forward) based on redeemed old foreign exchange savings or on security through subscribed stock are invalidated. Also invalidated are agreements entered into with participation less than 10 percent of the loan value, those entered into for a term longer than seven years or with an interest rate lower than 5 percent, and loans agreed to without a foreign exchange clause or if their "grace period" is longer than

12 months, but also those agreed to without security from a mortgage on real property where the appraised value is at least 70 percent of the loan amount.

The beneficiary of a "beautiful eyes" type of loan is obligated to settle the unpaid value of the loan with the bank all at once. But if the unpaid portion has not been returned to the bank by the day on which the agreement is deemed invalid, the agreement concluded between the loan beneficiary and the Croatian Fund for Privatization is also invalidated, in which case the Fund becomes the owner of the stock purchased with that loan.

This is the part of the legislation that signifies for the Croatian Fund for Privatization a change in the ownership structure, because initial assessments indicate that approved managerial loans in the past period of time have not undergone additional treatment that would result in their conformance to the provisions of the law. At least as far as the Split office of the Croatian Fund for Privatization is concerned, this will mean a change in the ownership structure of, for example, the Primosten hotels, or even "Univerzal" or "Kamen" in Split. Indeed, information on conforming such loans to the norms imposed by the law has not arrived from "Split Bank."

As Josko Ivacic, the director of the Split office, pointed out, all the names of people holding managerial loans without backing will be made public, and that will happen very soon because it will be necessary to transfer stock purchased with managerial loans to the Fund's portfolio. In addition, Ivacic says that it will be interesting to determine the names of the untried owners, which Ivacic says are primarily people without party affiliations, which will refute talk of how only one party is involved in these dealings.

Also bearing the "brunt" of this law's articles are all agreements concluded since 1 May 1991, naturally if they conflict with the provisions of this law. The Public Prosecutor's Office of the Republic of Croatia will bring charges to establish the invalidity of agreements.

Gligorov Rejects Ethnic Division of Bosnia
AU1504184894 Skopje MILS-NEWS in English
15 Apr 94

[Unattributed report: "Justice Is on Our Side"]

[Text] During yesterday's meeting with the delegation of the U.S. Council of Foreign Affairs, President Gligorov pointed out the United States have so far kept a balanced position in the Macedonian-Greek relations, which results from its interest to preserve peace and stability in the region, just like it is in the interest of both Greece and Macedonia [The Former Yugoslav Republic of Macedonia—FYROM]. "America is interested to see an agreement acceptable for both sides and will remain on such a position during talks with Papandreou. We look forward to today's meeting between Foreign Minister Crvenkovski and U.S. Secretary of State Christopher and hope to see a fruitful discussion." Asked on possible reactions by the Macedonian Govt. in case Serbs undertake an ethnic cleansing in Kosovo, Gligorov said it would be a tragic event with consequences bigger than those in Bosnia-Herzegovina, stressing peace and stability must be preserved and the Kosovo question must be resolved through peaceful means. Otherwise, he said, a new Balkan war would start, involving two NATO member countries, Turkey and Greece. In regard to Greek remarks on the Macedonian Constitution, Gligorov underlined it clearly states Macedonia has no territorial aspirations and intentions of interfering in any country's domestic affairs. He went on to say Macedonia has suggested signing a treaty with Greece on inviolability of present borders. "They are now bothered by our name and the fact that Macedonia will take care of cultural and other needs of Macedonians living out of the country. Let me remind that one third of the total Macedonian population lives in Australia, the United States, Canada, Germany and other countries and that none of these countries are concerned by this responsibility Macedonia took on. And, the Article 108 of the Greek Constitution likewise states Greece will take care of cultural and other needs of Greeks throughout the world." He was also asked on his opinion of the loose federation of Croatia and Bosnia-Herzegovina and possibilities of Macedonia entering any federation. He said Bosnia should be re-established, as dividing on ethnic basis violates international laws and in fact approves of changing borders by force and ethnic cleansing. "We consider it is the best interest for the Balkans that Macedonia remains independent and stays out of any form of federation, as it would cause new conflicts. This means we are oriented towards integrating into European associations and wish to see the European option enforced in all Balkan countries. Any joining of countries on religious or ethnic basis would just bring about new complications. We have a great deal of mutual interests with Greece and, once emotions are calmed down in this country, there is a realistic hope we will reach a long-term agreement. That is how we view our relations with all other neighbours—Bulgaria, Albania, and, when the war is over, Serbia, as well." Asked what terms would the

possible agreement with Greece include, President Gligorov said the inviolability of borders would be of greatest priority, and all other issues Macedonia is ready to negotiate on should be discussed in a package and not separately. He also said Macedonia is "aware that both sides must be ready to compromise." As for the ability of the Macedonians to stand up to the strong Greek lobby in the world, Gligorov answered although Macedonians have no such economic and political influence and means to react at every moment, the "justice is on our side."

Foreign Minister Comments on UN Membership
AU1104145994 Skopje PULS in Macedonian 8 Apr 94
pp 12-13

[Interview with Foreign Minister Stevo Crvenkovski by correspondent E.K.; place and date not given: "A Historic Step Forward"]

[Text] [E.K.] You headed the Macedonian [The Former Yugoslav Republic of Macedonia—FYROM] delegation at the negotiations in New York last year, from the end of February until 8 April as the acting foreign minister, and you participated in the final activities before the admission of our country to the United Nations. What was the greatest characteristic of that period, I would say, of important meetings and discussions?

[Crvenkovski] The main characteristic of the days preceding the admission of the Republic of Macedonia to the United Nations was the attempt of Greece to prevent it at the last minute. That was the reason for the prolongation in handing their letter. All possible manipulations were used in order to prevent our admission at the last minute. Greece is handing, Greece is not handing the letter, it is handing it with a signature, without.... After that the Athens Government made attempts to postpone the procedure as long as possible with the UN General Assembly, now that it could not prevent the admission. They insisted that the General Assembly review the admission of Macedonia at a regular session.

The main activity of the Macedonian delegation in New York those last 10 days was to "get" the UN General Assembly, and to fulfill the admission to the United Nations as soon as possible, that is immediately, which was finally carried out. The attempted postponement was, as a matter of fact, due to the fact that the Greek side became aware that, with the admission of Macedonia to the United Nations, the whole situation had drastically changed. They hoped time would help them and they hoped the whole situation could be essentially changed. Because if Macedonia had not become a member of the United Nations, it would be likewise in other international institutions within the UN system, without which it is impossible for a state to function. These are institutions, like telecommunications, transport, financial transactions, registration of vehicles, registration of aircraft, a whole complex of relations which make possible the communication of a state in the world

by becoming a member of those organizations. If there is not a normal communication in the world, then there comes a total economic collapse in a country, with all the relevant consequences.

That was the basis on which Greece constructed its strategy. They wanted either to prevent or postpone it as much as possible, and our vital interest was to regulate our membership as soon as possible, in order to make possible all the aspects of a normal international living, and to make the state function.

[E.K.] Which were the states that helped us most in those activities, negotiations, and persuasions for easing the pressures of Greece before the membership of our country in the world community, and who were the diplomats you had the most frequent contacts with?

[Crvenkovski] Well, the most profound influence was certainly of the three countries which proposed the resolution on the admission of our state to the United Nations, three countries of the European Community, which are Great Britain, France, and Spain, which was then also one of the 15 members of the Security Council. It is true that nothing would have been accomplished without the help of the five permanent members of the Security Council.

[E.K.] What was the situation like with the so-called sponsors of the resolution on the admission of Macedonia to the United Nations?

[Crvenkovski] If I am not mistaken, Macedonia formally had only 67 sponsors. What was of extreme importance was the great number of the members. It was also important that this number was reached in practically 24 hours. Normally, the period required for providing sponsors for a resolution on admission of a country to the United Nations lasts 15, 30, or 60 days. The ambassadors of these countries were practically standing in line for 24 hours to sign the resolution on our sponsorship. I here have to point out that we had the great support of the Slovenian mission to the United Nations, which was the main sponsor, and which did almost all the technical job in gathering other members.

[E.K.] The importance of the admission of Macedonia to the United Nations is apparent. What happened and what has changed in the international life of Macedonia a year later?

[Crvenkovski] As a direct consequence of the membership in the United Nations, we became members of all its specialized agencies. There are 26 such agencies, and each one of them is of vital importance for the functioning of a state. We have accomplished a full membership in 26 agencies, and what is left is only to regulate relations with GATT. There we have observer status, and we still have not regulated our membership because the negotiations with GATT need a long process of difficult negotiations, step by step, on all forms of non-customs measures of protection, something that

cannot normally be expected to be solved in less than a year of negotiation. The problem is not of a political, but of a technical nature.

Just after our membership in the United Nations there followed a process of membership to many state organizations, institutions, cultural, sports, and scientific international associations. It was all urged after the admission of Macedonia to the United Nations. In the meantime the process of bilateral recognition was carried out with a great number of countries, as well as of establishing diplomatic relations. The Republic of Macedonia has established full diplomatic relations with 30 countries, and 30 to 40 more countries have formally recognized our Republic. Our passports have been accepted by almost the whole world, with the exception of two neighboring countries. This is evidently a situation totally different from what we had before the admission of our country to the United Nations.

[E.K.] What does the admission of Macedonia to the world organization mean for the political and security plan in relation to the Bucharest agreement of 1913?

[Crvenkovski] The very act of admission to the United Nations is a de facto confirmation of the independence of the relevant state. After that moment the state becomes a full subject in international relations. It bears all the other international legal consequences following the act of recognition.

Until then, until Macedonia entered the United Nations, almost all speculations concerning its future were possible. The moment we became an equal UN member the speculations stopped. Beside the practical aspects that I have here noted, membership in the specialized agencies of the world organization represents a significant moment when the sovereignty of a state is really completed.

[E.K.] The problem in the relations with Greece existed even before the Macedonian membership in the United Nations, and it is still there. What are the essential changes in the negotiating status for overcoming the disputed issues between the two countries?

[Crvenkovski] First of all, I would like to call not upon our assessment, but upon the assessment of the Greek side. During the recent discussions in the Greek parliament, Greek Prime Minister Papandreou evaluated the admission of Macedonia to the United Nations as one of the biggest errors of Greek diplomacy. I do not know how truly it is an error of the Greek diplomacy, speaking in long terms, but the claim proves that the other side is totally aware of the enormous importance of that act. First of all because since 8 April last year there has existed a relationship of equal partners in the negotiations. In spite of the fact that the other side is making desperate attempts and various problems, including the embargo against us, and in spite of all the hot statements, it is a fact that the other side, by starting the process of negotiations, demonstrated it negotiated with a sovereign country. After our admission to the United Nations,

it became an equal process between two states in dispute. Until the moment of entering the United Nations, there was the problem of a state that proclaimed independence, not yet realized. After our membership in the United Nations that question was canceled from the agenda, and if you review the whole development of the total relationship of the international organizations toward the Republic of Macedonia during the past 12 months, as well as the bilateral relationship of a number of countries, and the relationship of the world's public, you will see that after the admission the whole treatment has radically changed. The disposition of the world's opinion, of all the leading world's magazines and dailies, as well as television stations, is evident, expressed in the interest of the public for the maintenance of the integrity of an independent state, a member of the world organization. Before that, that was not the case. Normally, there were various interests, although there was a certain level of support with the world's public, though of a totally different quality.

Prime Minister Comments on Economic Situation

AU1904095094 Skopje NOVA MAKEDONIJA in
Macedonian 17 Apr 94 p 3

[Report by D.C.: "We Need a More Efficient Economy"]

[Text] Ohrid, 16 April—"Our economy is undeniably in a difficult situation. However, we must recall that the reason for that does not come from a year ago, but has its roots 10 years back, when we had a system that could not match the model of the western economy. It does not mean that we have to succumb to apathy and hopelessness now, but we have to restructure the economy and find a way out." This is what the Prime Minister of the Macedonian Republic [The Former Yugoslav Republic of Macedonia—FYROM] stated in Ohrid today at his meeting with Ohrid businessmen, when they discussed the current economic situation and the Stabilization program of the Republic of Macedonia.

"It is very important," the Macedonian Prime Minister recalled, "to state the reasons for such a situation. First of all, the Macedonian economy was designed for a market of 22 million people, and this no longer exists. The economic blockades gave rise to great expenditures, such as for transport. We estimate that we have incurred more than \$3 billion of damage over the past three years. We have no illusions that anyone will give us that money as a gift, because there are a lot of interests in the world, and little justice.

"In these conditions," Branko Crvenkovski said, "we were exposed to great pressure, whether to wait for better times or apply the reforms. We decided to do the latter, although we are aware we shall have to pay the costs. Our stabilization program was assessed positively by famous international institutions, but we must understand that it will not give the expected results unless we make structural changes, because we need an efficient economy. I

mean here transformation of the state companies, changes in the banking system, and so on.

"We had to start this process, because we had no other choice. It hurts, it costs, but I wonder whether we have to undertake measures similar to those of our northern neighbor, and pay a high price for returning to the reforms. I want to remind you that our inflation is below the expected level, the exchange rate is stable, our businessmen can plan in a more tranquil manner. At this moment, my special concern is the fall of productivity and the proper use of capacities in the economy. Many companies have the problem of disposing of their goods, which means they will have to look for new markets."

Branko Crvenkovski also talked about the huge effects suffered in Macedonia by the Greek blockade, and he mentioned that Greece was under great international pressure, suffering attendant damage, nevertheless he pointed out that this did not imply that we would be able to use Thessaloniki harbor. "If there is any logic, that should happen, but it seems that this does not apply to these territories," Macedonian Prime Minister Branko Crvenkovski said.

The President of the Chamber of Commerce Dusan Petrevski also spoke on some economic problems at the Ohrid meeting, while Minister Jane Miljevski spoke about the transformation of state companies and privatization.

Most State-Owned Trading Firms Face Bankruptcy

AU1804182894 Skopje MIC in English 18 Apr 94

[Unattributed report: "Trade: State-Owned Companies Facing Bankruptcy"]

[Text] Up to 95 percent of the state-owned trade companies are expected to go bankrupt soon. The reason for this is the rapid development of the private trade which finds it easier to evade paying tax and customs. If the legal trade calculated 25-50 percent fiscal dues in its retail prices, it would not be able to sell its products, unlike those who fully or partially avoid the dues.

The money in circulation in the field of trade is insufficient and their structure is unfavorable. The largest part goes to short-term demand (over 50 percent), the supplies are approximately 30 percent, and the funds only seven percent. [sentence as received]

The non-liquidity of the companies is enormous. By the end of February, 991 companies with 9,856 employees had debts, while 578 companies had their accounts blocked for more than 60 days, which automatically fulfills the obligation to initiate bankruptcy proceedings.

Concerning the wages, 26.4 percent of the employees in this sphere have not received wages since December 1993, and this average is 15.4 index points above the

average for the entire economy. The retail trade, in terms of wages, received 21 percent less money than the average in the economy.

Opinion Poll Rates Politicians

94P20578A Skopje PULS in Macedonian 18 Mar 94 pp 24-25

[Commentary by S. Georgievski, "Rating Issue One—1994: Popularity Among People"]

[Editorial Report] The 18 March edition of the Skopje weekly PULS reports the results of a popularity poll conducted during 11-15 March in The Former Yugoslav Republic of Macedonia (FYROM) by the Data Press Agency exclusively for PULS. The survey provides the first indication of public response to leadership changes in the largest Albanian party and is the first poll reported since Greece imposed a blockade on Macedonia's southern border.

Methodology

The survey was conducted by telephone, using a sample of 300 names chosen from the telephone book, a method which virtually eliminated respondents from rural areas (less than 4 percent of the sample). According to the polling organization Data Press, the respondents are representative of the population in terms of sex, age, and educational background. Seventy-five percent of the respondents are Macedonian, 19 percent are Albanian, 3.33 percent are Serbian, 0.33 percent are Turkish, and 2.33 percent are from other ethnic groups. While three-fourths of the respondents claimed no political affiliation, the rest were members of or were sympathetic to a range of political parties: 12 percent for the Party for Democratic Prosperity and People's Democratic Party (two ethnic Albanian parties that are part of the governing coalition), 4.67 percent for the Social Democratic Alliance of Macedonia (the main party in the governing coalition), 2.67 percent for the Internal Macedonian Revolutionary Organization - Democratic Party for Macedonian National Unity (or VMRO-DPMNE, an opposition party with the largest number of seats in the country's parliament), another 2 percent for the Liberal Party (a member of the governing coalition), and the remaining four percent distributed among the 55 other parties in Macedonia. Data Press's sample includes: 20.67 percent unemployed, 42 percent employed in the state sector, 10.33 percent working in the private sector, 2.33 percent students over age 18, and 24.67 percent retired. The margin of error for this survey was not given.

Highlights

Only five politicians received 50 percent or better approval ratings: President Kiro Gligorov (85.63 percent), Assembly Chairman Stojan Andov (62 percent), Foreign Minister Stevo Crvenkovski (about 60 percent), Interior Minister Ljubomir Frckovski (51.67 percent), and Prime Minister Branko Crvenkovski (about 51 percent). Gligorov and the two Crvenkovskis have maintained their popularity relatively unchanged since a similar poll published by PULS in December 1993. Among the more notable changes for other politicians were:

- the continuing decline in popularity of Democratic Party leader Petar Gosev, whose ratings were 52 percent in September 1993, 49.53 percent in December 1993, and 41.67 percent in the most recent poll;
- Minister of Defense Vlado Popovski's growing popularity from 18 percent in March 1993 to 35 percent in December 1993 and 48 percent in March.
- the increasing prominence of Todor Petrov, an independent parliamentarian and notable critic of the government, who was not even mentioned in the December 1993 poll but who is now viewed favorably by almost half of the survey sample. [See FBIS Foreign Media Note 94-028, 25 February, for details of the earlier PULS polls and an earlier poll conducted by the "BriMa" polling organization, apparently using dissimilar methods.] PULS also noted that, despite the VMRO-DPMNE's negative appraisal of the government's foreign policy, 75 percent of VMRO-DPMNE supporters still viewed Foreign Minister Crvenkovski favorably.

The Ethnic Factor

In a popularity ranking of political leaders, ethnicity proved to be the most salient factor. Albanian leaders scored high among Albanian respondents and low among non-Albanians, as for example happened to Djeladin [Xheladin] Murati, the leader of one faction of the Albanian Party for Democratic Prosperity, who received 94.74 percent approval from Albanian respondents, but only a 10.22 percent positive rating from non-Albanians. The ethnic factor is also significant in the case of the Macedonian nationalist VMRO-DPMNE representatives. For example, the approval/disapproval ratings for VMRO-DPMNE leader Ljupco Georgievski by ethnicity of the respondents are: Macedonians 20.89/66.67; Albanians 3.51/91.23; Serbs 20/70; Turks 0/100; and other ethnic groups 28.57/57.14.

The poll also points to ethnicity as a factor in the ratings of Macedonia's president. Only 42.11 percent of Albanians surveyed gave Gligorov a positive rating, compared to 96 percent of the Macedonians, and nearly 100 percent of the Serbs, Turks, and other ethnic groups. Similarly, Stojan Andov received approval/disapproval ratings of 22.81/54.39 among Albanians.

	Approval	Disapproval	No Opinion	Not Recognized
Kiro Gligorov	86	6	8	—
Stojan Andov	62	23	15	—
Stevo Crvenkovski	60	21	18	1
Ljubomir Frckovski	52	31	16	1
Branko Crvenkovs	51 ¹	26 ¹	22 ¹	1
Vlado Popovski	48 ¹	2 ¹	17 ¹	15 ¹
Todor Petrov	47 ¹	4 ¹	16 ¹	13 ¹
Petar Gosev	42	42	16	—
Jovan Andonov, former deputy prime minister, now minister-coordinator	36 ¹	14 ¹	35 ¹	15 ¹
Kiro Popovski, deputy chairman, parliament	35	33	17 ¹	15 ¹
Bekir Zuta, deputy prime minister	32 ¹	31	20 ¹	17 ¹
Ante Popovski, leader of MAAK [Movement for All-Macedonian Action]	30	28	22 ¹	20 ¹
Jane Miljovski, minister without portfolio; architect of privatization policy	29	21	26	24
Djeladin Murati	27 ¹	47	21 ¹	5 ¹
Vladimir Golubovski, leader of VMRO-DP [VMRO-Democratic Party]	27	56	16	1
Risto Ivanov, former deputy prime minister	25	27	22	26
Ljupco Georgievski	18	71	11	—
Dosta Dimovska, deputy VMRO-DPMNE leader	12	76	11	1

¹The numbers above have been rounded to whole integers.

These approximate results were extracted from an imprecisely displayed bar graph in PULS.

Minister on Talks With IMF, World Bank

94BA0194A Skopje VECER in Macedonian 12-13 Feb 94 pp 4-5

[Interview with Dr. Ljupco Trpevski, minister without portfolio, by Vasko Eftov and M. Bozinovska; place and date not given: "Strong Measures Lead to Strong Currencies"]

[Text] The final verification of the agreement between the Macedonian Government [The Former Yugoslav Republic of Macedonia—FYROM] and the World Bank will take place in the next two to three days. It should result in an \$80 million loan. This will complete talks, which have lasted more than a month, by a Macedonian team headed by Dr. Ljupco Trpevski, minister without portfolio.

[VE CER] Mr. Trpevski, last Tuesday the board of directors of the World Bank accepted a structural adjustment program drafted by the Macedonian Government. What are the initial impressions concerning the possible results?

[Trpevski] Last Tuesday, the World Bank Directors approved the development policy letter relative to the structural adaptation program, as agreed upon in the final months of last year with the World Bank. The International Development Agency approved a loan of \$40 million and the World Bank approved a loan of \$40

million. It is expected that some time around 14 February the agreements will be signed and that we shall start to repay first all of the \$107 million owed, so that we may subsequently use the loans. We have already drafted documentation submitted to the World Bank for an immediate loan of \$30 million from the IDA [International Development Agency] from imports for the past four months. The balance of up to \$80 million will be received subsequently with a monthly submission of import documents. The first \$30 million will be used to settle the old debt while the balance will go to increasing foreign currency reserves and meeting current commitments to the World Bank and to the other so-called privileged international financial institutions.

Precise Figures

[VE CER] A number of figures have been mentioned on the amount of loans we need, totaling \$200 million. Is it possible now, after the adoption of the program by the boards of directors of the International Monetary Fund and the Bank, to cite a specific figure of the dollar sum on which we could safely rely?

[Trpevski] We can rely on a loan of \$80 million from the World Bank. Furthermore, we have secured a loan of \$35 million from the International Monetary Fund, \$17.5 million of which will be used to repay the amount owed to the bank. The remaining \$17.5 million will be

received toward the middle of the year, based on our meeting the stipulations agreed upon with the Fund.

[VECER] Therefore, let us mention precise figures: as a result of this program we could expect \$80 million from the Bank and the balance of \$50 million if we regularly supply documentation on imports, and \$17.5 million from the Fund. Therefore, at best, we can safely rely on obtaining \$97.5 million. The specially stipulated conditions will have to be met for us to obtain the balance of up to \$200 million.

[Trpevski] This will depend on the way we implement the program. It will determine obtaining the remaining \$17.5 million from the Fund. In the next few months, we shall resume talks with the World Bank on a loan for structural adaptation, for \$60 million. Meanwhile, a very positive initiative was launched, involving us. We were recently informed of it through a variety of channels: a Japanese Government's decision to put together an economic package for Macedonia, a substantial share of which will be planned jointly with the World Bank, which will participate as a co-financier. The World Bank will collect the funds which will be subsequently lent to us. Now one of the main sources for investments in Macedonia by the World Bank will be Japan.

[VECER] Let us look at the other loans. To begin with, is it necessary to initial a new standby arrangement and obtain the second half of the loans from the World Bank, or else will the implementation of the present program suffice?

[Trpevski] No, we shall initiate talks about a standby arrangement but this is not strictly related to the balance of the loans. Actually, from our point of view, we would be interested in signing a standby or ISAF [expansion unknown] arrangement, providing that it is kept, for we know that the STF [system transformational loan] arrangement is a preliminary for a standby arrangement. Even with the signing of a standby arrangement we appear as a country pursuing a stable economic policy.

[VECER] To sum it up: Does it mean that the standby arrangement is not a prerequisite for obtaining the balance of the loan from the World Bank?

[Trpevski] It is not. The loan depends on whether we meet the conditions stipulated for the first half of the year.

[VECER] Shall we be able to meet these conditions? Inflation has already substantially exceeded the projections by something like 15 percent.

[Trpevski] Inflation is not a parameter. In terms of the dynamics of inflation we must apply the other parameters, such as wages.

[VECER] The second condition is that the privatization must yield results. Naturally, when it is a question of obtaining the second loan of \$60 million, a certain share

will be used to improve the situation of the banks. However, in the privatization area something is obstructing developments.

[Trpevski] It is accurate that one of the conditions set by the World Bank is that we must show privatization results. I believe that there will be no problems, for, based on what we have agreed upon, this year essentially the enterprises should submit plans for privatization, and the privatization achieved so far must be checked. With the control and the approval of the privatization carried out so far, certain results will become immediately apparent.

[VECER] However, circles close to the government have indicated that the content of the Privatization Law does not meet the full approval of the World Bank.

[Trpevski] The World Bank rated the concept most highly. Its main remark is that privatization is developing slowly and that the bank believes that it must be faster and more extensive.

A New Arrangement

[VECER] The signing of a standby arrangement depends to a certain extent on the timing—from the second half of this year to the start of the next. What is the basis for the government's optimism that it would be able to meet the stricter requirements earmarked with such an arrangement, if it can be reached prior to the elections?

[Trpevski] The optimism is essentially based on the fact that in terms of the conditions we have agreed upon with the Fund for concluding an STF arrangement there will be no major difference between it and the conditions stipulated in the standby arrangement.

[VECER] Does the government consider the STF arrangement much more liberal?

[Trpevski] This seems to be the case, based on the agreements concluded by the Fund with other countries. Meanwhile, we have agreed with the Fund on a framework which is much stricter than the usual standards, so that we should not expect the standby arrangement to stipulate conditions much more difficult than the present ones. The difference lies in the consequences of the nonfulfillment of the STF or the standby arrangement. In terms of the standby arrangement, the Fund is stricter: the agreement becomes invalid if the conditions are not met.

[VECER] In such a case, would it be politically wise for the government to make a standby arrangement before the elections?

[Trpevski] It seems to me that the main talks will be held during the period of elections. My job is to work on concluding the arrangement and let those involved in the political aspects determine whether this is wise or not.

[VECER] The question inevitably arises whether the government needs the loans which, with an STF arrangement, will lead to concessions that go beyond the usual standards applicable in the case of such arrangements.

[Trpevski] Generally speaking, these are not concessions. They express the belief of the government about the economy, to the effect that this is the best way for resolving the situation in which we find ourselves, bearing in mind the interests of the state and not narrow party interests. The state interest is for this country to have a stable economy, for that is the only way in which it could participate in international affairs.

[VECER] What about the interests of the economy?

[Trpevski] They should be the same. It is in the interest of the economy to work under conditions of stability and there can be no stable conditions if inflation is high.

[VECER] You said that we had rejected selective loans to finance agriculture, without any pressure on the part of the International Monetary Fund and the World Bank. The budget will reduce its financing of agriculture and this entire burden is now being shifted to the banks, which are as yet to improve their situation. To what extent would they be able to do so, and how much would go to agriculture?

[Trpevski] Let us be clear about one thing, to begin with. The worst solution is to finance any kind of production by printing more money. In most countries, agriculture is given some protection. However, all such protection is based on real sources. Only thus could we have a healthy noninflationary economy. If we agree on this point, I think that there would be no problems and we should not raise the question of whether we should have selective loans or not. This would mean that such selective loans could be abandoned and ensure support from budget funds.

[VECER] Will there be less budget support?

[Trpevski] It is the same as last year's.

[VECER] Is this a suitable time for such an operation?

[Trpevski] If we wait, tomorrow will be more difficult. Postponing this step for the future has brought us to a dead-end, and we can no longer go on like this.

[VECER] Does such an impasse force us to borrow more to be able to repay the old loans?

[Trpevski] Yes. In the eyes of the international financing institutions we must be viewed as paying old debts regularly. It is only thus that we can improve our chances in holding discussions with the other two creditors: the Paris and London Clubs, in order to settle our debts to them. Such conditions must be met before we sit down to talk with the Paris Club. We are not in a position to impose upon them our own conditions. To begin with, we must have an arrangement with the Fund. The second condition is to solve problems related to repaying the

amounts we owe to these privileged international financial institutions. We are doing this. There is also another condition that has as yet not been settled (it was settled by Slovenia and Croatia). It is the matter of \$3 billion of the so-called nonallocated share of the debt of former Yugoslavia, so that our share would be the one agreed upon according to the quotas assigned by the International Monetary Fund. As a government, we have not stated our position, but we must do so quickly, for without this there will be no talks.

False Dilemmas

[VECER] Does this not indicate that, once again, the economy will be burdened with new loans?

[Trpevski] Let us clear up this issue. We owe the World Bank \$107 million, which we must repay if we wish to obtain new funds. Currently we are repaying this debt in such a way that \$25 or \$30 million will be paid by someone else (the donors). This means that in the worst case we would be owing less to the bank. Second, one share of the debt, let us say the loan from the International Development Agency, is interest-free and we repay debts which are interest-bearing so that, if nothing else were to happen, at least the interest on the debt has been paid. Another share of the loan is repaid from loans granted by the Fund and the World Bank under the same or somewhat better conditions than we had in the past.

[VECER] However, there is a stipulation according to which we have substantially exceeded the level of indebtedness.

[Trpevski] With the conclusion of the arrangement with the Fund and settling our obligations to the World Bank and the other privileged institutions, as well as membership in the International Development Agency, we are engaged in talks with the Paris and London Clubs with a view to finding a way to reduce our indebtedness. They may agree to this. This is a way to relieve the economy. Chances are good that as a result of our steps the indebtedness coefficient will be lowered.

[VECER] Is it a standard option for IDA members to expect a lowering of their indebtedness between 35 and 50 percent in the course of their talks with the Paris and London Clubs?

[Trpevski] At this point I cannot be more specific. I will insist on the need to appoint an expert team for the talks. In general, this is not a question of any kind of party involvement, for if such were to be the case I would give up.

[VECER] When should we expect such talks to begin?

[Trpevski] The moment we clear the problems with the World Bank and reach an agreement within the government concerning the third problem, which is assuming a share of the unallocated debt. At that point we shall be prepared to begin the talks, above all with the Paris Club.

[VECER] What is the latest plan for repaying the \$107 million owed to the World Bank?

[Trpevski] This is based on the funds supplied by the donors, estimated at about \$25 million. However, the final answer will be known by the 14th of this month. For example, Turkey has indicated that the \$1 million it has pledged will be given to us somewhat later. That is why we shall have to use more of the funds coming from the Soros Loan.

[VECER] The use of the Soros Loan is probably a forced step, for the government believed that this option is much more costly than the use of foreign currency reserves.

[Trpevski] Yes, this option is more costly. However, we have already transferred \$24 million from the currency reserves, \$25 million from donors, \$17.5 million from the Fund, \$30 million from the IDA and between \$11 and \$15 million from Soros.

[VECER] In the system of repaying our debts, the Netherlands is playing a rather sensitive leading role.

However, it is unclear why, let us say, the European Union was so strict and did not allow the FARE [expansion unknown] and the EKO [expansion unknown] funds to be used to pay a share of the debt?

[Trpevski] In my view, there are three reasons. First, bureaucracy is not slow only in Macedonia but virtually throughout the world, which also means the European Union. The second reason is the budget problems which are affecting all members of the European Union, above all due to the deep recession. In this case we should also take into consideration the influence of our southern neighbor.

[VECER] Finally, are you getting ready to be the first Macedonian representative to the International Monetary Fund and the World Bank?

[Trpevski] The Macedonian quota is so small that we can have no representative at the Fund or the World Bank. For example, in our World Bank group the executive director comes from the Netherlands, and his deputy from Romania; the representative in the Fund is from Ukraine.

Federal

U.S. Considering Lifting FRY Sanctions

LD1804201894 Belgrade TANJUG in English 1932
GMT 18 Apr 94

[Article by Dejan Lukic]

[Text] Washington, April 18 (TANJUG)—Washington is viewing with confusion and uncertainty the developments in war-shattered Bosnia-Herzegovina, particularly around the eastern Moslem enclave of Gorazde.

The White House is awaiting the outcome of Russia's diplomatic effort to effect a ceasefire around Gorazde, while sending confused signals about its determination to keep up its military pressure on the Serbs and the priority it attaches to political dialogue.

President Bill Clinton on Sunday indirectly intimated that the United States would be willing to do an about-face in its current policy towards the Serbs, which has been signaled also by THE WASHINGTON POST. Quoting high-ranking sources in the administration, the daily said that the United States was prepared to consider lifting sanctions against Yugoslavia (Serbia/Montenegro) as an incentive to the Bosnian Serbs to agree to a ceasefire in Bosnia.

On Sunday, Clinton discussed the Yugoslav crisis with Russian President Boris Yeltsin, as did Secretary of State Warren Christopher with his Russian opposite number Andrey Kozyrev.

Information available at this time suggests that Kozyrev asked Washington to agree that the Bosnian ceasefire deal include a provision on a phased lifting of the anti-Yugoslav sanctions, with Christopher agreeing, albeit reluctantly, that the Serbs needed to be stimulated in some way.

Meanwhile, Washington is in a ferment with speculation about what the United States should do in a situation where it is largely considered that the current policy of limited military pressure on the Serbs has been defeated and that the Serbs have humiliated the United States, NATO and the United Nations.

The advocates of an intervention are strongly on the offensive, the most rabid of them being former secretary of state and ambassador in Belgrade Lawrence Eagleburger, who has told the C.B.S. network that, if Clinton has crossed the Rubicon and used force, he should now follow through with massive bombings of targets not only in Bosnia-Herzegovina but also deep inside Serbia.

The campaign has been actively joined by Bosnian Moslem Vice-President Ejup Ganic, who has made several television appearances for local networks in which he called for a massive air raid on Serb targets and demanded that Clinton immediately send arms to the Moslems in Bosnia.

Appearing in a television show with Ganic, Congressman Lee Hamilton poured cold water on both demands, explaining that the United States could not unilaterally exempt the Moslems from the arms sales embargo which has been in force against all of former Yugoslavia since late 1991, as that would in effect constitute an invitation for an escalation of war, and that a massive intervention was not envisaged in the mandate of the United Nations.

Protest to France Over Assault on Paris Office

LD1804224494 Belgrade TANJUG in English 2052
GMT 18 Apr 94

[Text] Belgrade, April 18 (TANJUG)—The Yugoslav Foreign Ministry on Monday summoned the charge d'affaires at the French Embassy in Belgrade and strongly protested over a terrorist assault on the Yugoslav cultural centre in Paris and demanded that the French Government take urgent and energetic measures against its perpetrators.

It also demanded that the French Government secure and guarantee conditions for normal and safe work of the Yugoslav cultural centre, duly punish the perpetrators and prevent similar incidents against Yugoslav diplomatic and other offices in France from happening in the future.

A group of French citizens and Moslem extremists, headed by notorious activists from Paris' political demimonde, stormed the Yugoslav cultural centre on Monday, threw out the personnel, vandalised the premises and occupied the premises.

Police and the authorities reacted to the situation with less than desirable alacrity, allowing the vandals to use the centre for brutal anti-Serb and anti-Yugoslav propaganda.

The Yugoslav Foreign Ministry conveyed to the French charge d'affaires its bitter resentment at the escalation of vandal attacks on Yugoslav offices in the city which boasts of being the world's cultural capital.

Yugoslavia insisted that everything, including the property of the cultural centre, should be restored to the status quo ante.

Special concern was expressed at the fact that the incident had happened despite warnings from the Yugoslav side that something of the kind might be in the offing and demands for adequate measures to be taken to protect the Yugoslav offices.

Belgrade explained that assaults of this kind were encouraged by an unprecedented systematic anti-Serb and anti-Yugoslav campaign in the French media.

The French diplomat expressed regret at the incident and said he would convey this in his (?note) to his government.

The Yugoslav charge d'affaires in Paris too lodged a protest with the French Foreign Ministry on Monday over the deplorable incident.